

UNIEURO S.P.A.: FY 2021/22 GUIDANCE MET
1.35 EURO DIVIDEND PER SHARE, UP BY 26% COMPARED TO
PRE-PANDEMIC LEVELS

- **New record-breaking turnover, above 2.9 billion euros (+9.9%)**
- **Market forecasts have been met, with margins back to normal compared to extraordinary 2020/21 ones:**
 - **Adjusted EBIT¹ -17% at 72.1 million euros, but +22.8% compared to pre-pandemic levels**
 - **Adjusted net income² -19.5% at 53.9 million euros, but +28% compared to pre-pandemic levels**
- **52.1 million euros' investments (+64.8%) in direct stores, IT infrastructure and new ecommerce platform**
- **Net cash³ at 135.7 million euros at end of financial year (154.8 million euros as at 28 February 2021) after 66.1 million dividends and buyback**
- **Proposed 1.35 Euro dividend per share, up 26% compared to pre-pandemic coupon. In five years, over 154 million euros' dividends and buyback paid to shareholders (p. 13)**
- **Turnover further increasing in the first two months of 2022/23, despite a complex geopolitical and macroeconomic scenario which makes it difficult to forecast for the entire fiscal year (p. 12)**

- **Approval of the Sustainability Plan 2022-2026, giving visibility to Unieuro's environmental, social and governance commitment (p. 14)**

Forlì, 11 May 2022 – The Board of Directors of Unieuro S.p.A. (Euronext STAR Milan: UNIR), the Italian leader in the retail market of consumer electronics and household appliances, met today chaired by Stefano Meloni to examine and approve the consolidated financial statements and the draft statutory financial statements as at 28 February 2022.

As well as the new record-breaking turnover, risen to 2.95 billion euros despite any major initiatives for external growth, the financial year 2021/22 stood out for the launch of the Company's first five-year Strategic Plan, aimed at completing Unieuro's omnichannel transformation and its development into a *market setter*.

In the light of a vibrant electronics and household appliances market, partly led by the booming sales of TVs in the run-up to the digital TV transition, the first year of the Plan saw Unieuro achieve all its targets in terms of margins and cash generation.

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Although the comparison with fiscal year 2020/21 is affected by the beneficial and unrepeatable effects of the managerial actions taken last year in response to the health emergency⁴, EBIT adj.¹ and Net income adj.² made strong gains over pre-Covid levels, settling at 72.1 million (+22.8% over 2019/20) and 53.9 million (+28%), respectively.

Cash generation too saw a return to the usual business dynamics, with an adj. Free Cash Flow⁵ normalised at 49.4 million euros, making Unieuro close the financial year with a Net Cash Position³ of 135.7 million euros, after paying its shareholders as many as 66.1 million euros in dividends (53.8 million euros) and buyback (12.3 million euros) over the twelve months.

The financial year 2022/23 started about the same time the Ukraine conflict broke out, casting further uncertainty over a macroeconomic scenario that was already troubled by inflationist tensions and problems in the global manufacturing and logistic networks. Even though in March and April Unieuro reported a further increasing turnover, the Management still preferred to postpone the publication of its guidance on revenue, profitability and cash generation for the current financial year.

Despite this, in the light of the positive results achieved and the dividend policy in force since the listing of the Company, the Board of Directors resolved to propose the General Meeting of Shareholders to receive a 1.35 Euro dividend per share, which is 26% more than the 1.07 euros paid in 2019, the last coupon paid before the pandemic, corresponding to 8.7% of the current stock market value of Unieuro⁶.

“By the end of the first year of enforcement of “Our Omni-Journey to 2026”, the strategic plan we worked out to complete Unieuro’s omnichannel transformation, we are proud to have met all the commitments undertaken towards the market, in terms of growth in turnover, profitability, cash generation and investments.

We would like to share such satisfaction with our people, who have risen to 5800 in the last twelve months; with our shareholders, to whom we propose a coupon payment of as much as 1.35 euros per share, still generous and consistent with our dividend policy; and more generally with all of Unieuro’s stakeholders, for whom we have drafted our Sustainability Plan 2022-2026 to give visibility to our efforts for a better future for everyone.

The difficult international and macroeconomic scenario is forcing us to look to the new financial year with caution and realism, without making hasty predictions that might become stronger in the next few months. In the meantime, we are relentlessly working along the strategic lines that we have planned so far to strengthen Unieuro’s leadership and increase its market share.”

Giancarlo Nicosanti Monterastelli, CEO Unieuro.

Revenues for the financial year 2021/22

In the fiscal year ended 28 February 2022, Unieuro achieved revenues of Euro 2,949.7 million, +9.9% compared to the Euro 2,685.2 million achieved in the previous fiscal year and +20.6% if compared to the Euro 2,444.9 million of 2019/20, the last pre-Covid fiscal year.

The performance is strongly positive as it was achieved in a context of gradual post-Covid normalization and in the absence of significant changes in the business perimeter, so much so that the evolution of **like-for-like Revenues**⁷ - that is, the comparison of sales with those of the last fiscal year on the basis of a homogeneous business perimeter - stood at +8.8%.

If on an infra-annual basis the comparison with the previous year is influenced by the high volatility that had accompanied the first months of the pandemic, on the whole, 2021/22 proved to be for the Company a year of sustained growth and rebalancing of the weights of the single channels and product categories, which in 2020 had been impacted by quite extraordinary external conditions.

Revenues per sales channel

<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended				Changes	
	28 February 2022	%	28 February 2021	%	Δ	%
Retail	2,008.1	68.1%	1,711.6	63.7%	296.5	17.3%
Online	532.8	18.1%	525.2	19.6%	7.6	1.4%
Indirect	280.5	9.5%	307.5	11.5%	(27.1)	(8.8%)
B2B	98.5	3.3%	116.9	4.4%	(18.3)	(15.7%)
Travel	29.9	1.0%	24.1	0.9%	5.8	24.2%
Total revenues	2,949.7	100.0%	2,685.2	100.0%	264.5	9.9%

The **Retail channel** (68.1% of total revenues) - which as of 28 February 2022 consisted of 271 direct stores, including the Unieuro by Iper shop-in-shops - recorded sales of Euro 2,008.1 million, a robust increase (+17.3%) compared to the Euro 1,711.6 million of the previous fiscal year, when the restrictions linked to Covid had prevented the direct network from benefiting from the favorable consumption trends triggered by the pandemic. The removal of these restrictions already starting from the first half of the year, the internalization of 18 shop-in-shops, previously under affiliation, that occurred at the end of 2020, as well as the opening of 10 new direct stores, allowed the channel to recover the underperformance of last year, thus bringing to +17.5% the increase in revenues compared to the pre-Covid level.

The **Online channel** (18.1% of total revenues) - which includes the renewed unieuro.it platform and the digital pure player Monclick - reversed the trend of the first nine months thanks to the +6.5% recorded in the fourth quarter, closing the fiscal year with revenues up

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1.4% to Euro 532.8 million from the previous Euro 525.2 million. Thanks to the performance of Unieuro.it, once again outperforming the market, the channel thus further improved on the record levels reached in 2020/21, when the emergency situation linked to the pandemic had led customers to favor e-commerce at the expense of physical stores. Compared to the last pre-Covid fiscal year, channel revenues are increasing by 79.3%, confirming the effectiveness of marketing activities on the Online channel, both mainstream and digital, as well as the new consumption habits that have become structural.

The **Indirect channel** (9.5% of total revenues) - which includes sales to the network of affiliated stores for a total of 259 outlets as of 28 February 28 2022 - reported revenues equal to Euro 280.5 million, down 8.8% on the Euro 307.5 million of the previous fiscal year. This performance compares with the +16.9% recorded in the year of the pandemic, when the network of affiliated stores proved particularly resilient to restrictions, benefiting from its distinctive characteristics. The progressive post-Covid normalization and the significant economic downturn recorded in the fourth quarter of last year have brought the channel back to a performance of +6.6% compared to pre-Covid revenues, in line with the long-term trends.

The **B2B channel** (3.3% of total revenues) - which caters to professional customers, including foreign ones, who operate in sectors other than those of Unieuro, such as hotel chains and banks, as well as operators who need to purchase electronic products to distribute to their regular customers or employees or to employees for loyalty points, prize contests, or incentive plans (referred to as B2B2C segment) - recorded revenues of Euro 98.5 million, down 15.7% compared to Euro 116.9 million in the previous fiscal year. The contraction, even more evident in the comparison with 2019/20 (-27.8%), was the result of a precise managerial choice linked to the lower availability of products with which to feed the channel in certain periods of the year.

Finally, the **Travel channel** (1% of total revenues) - consisting of 11 direct sales outlets located at some of the main public transport hubs, such as airports, railway stations and undergrounds - closed the fiscal year with revenues that rose to Euro 29.9 million, recording a year-on-year recovery of 24.2% but remaining below the levels reached before the pandemic heavily penalized airport traffic (-24.6% performance compared to the 2019/20 fiscal year, the last pre-Covid).

Revenues by product category⁸

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(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	28 February 2022	%	29 February 2021	%	Δ	%
Grey	1,355.2	45.9%	1,309.6	48.8%	4.6	3.5%
White	755.8	25.6%	728.8	27.1%	26.9	3.7%
Brown	576.2	19.5%	404.4	15.1%	171.8	42.5%
Other products	130.1	4.4%	134.1	5.0%	(4.0)	(3.0%)
Services	132.5	4.5%	108.4	4.0%	24.2	22.3%
Total revenues	2,949.7	100.0%	2,685.2	100.0%	264.5	9.9%

The **Grey** category (45.9% of total revenues) – i.e. phones, tablets, information technology, accessories for phones, cameras, as well as all wearable technology products - generated revenues of Euro 1,355.2 million, up 3.5% on the Euro 1,309.6 million of the previous fiscal year thanks to the good performance of the telephony and related accessories, wearable products and tablets segment. However, the second half of the year was affected by the weakness of the IT segment, in light of a highly challenging 2020 comparison base that had benefited from purchasing trends related to smart working, e-learning and communication, emphasized by the emergency context. However, the performance compared to the 2019/20 fiscal year, the last pre-Covid, remains strongly positive at +16.8%.

The **White** category (25.6% of total revenues) - comprising large household appliances (MDA) such as washing machines, dryers, refrigerators or freezers and stoves, small household appliances (SDA) such as vacuum cleaners, food processors, coffee machines, as well as the air conditioning segment - generated revenues of Euro 755.8 million, up 3.7% compared to Euro 728.8 million in the previous year, slowing down compared to the performance in the first nine months of the year. Compared to pre-Covid results, however, the increase is double-digit (+10.5%).

The **Brown** category (19.5% of revenues) - including TVs and related accessories, audio devices, smart TV devices, car accessories and memory systems - recorded an expected 42.5% jump to Euro 576.2 million from Euro 404.4 million in the previous fiscal year. The extraordinary performance of the TV segment was driven in the first half of the year by the resumption of sports events and in the second by the start of the switch-off of television frequencies, the effect of which was accelerated and strengthened by the TV Bonus, introduced by the Government to facilitate the technological transition. The effect of the switch-off, which is set to last through 2022, enabled the category to outperform even compared with pre-Covid levels, compared to which the increase in turnover is 49.9%.

The **Other Products** category (4.4% of total revenues) - which includes both entertainment sales and other products not included in the consumer electronics market such as hoverboards or bicycles - posted revenues of Euro 130.1 million, down 3% from the previous fiscal year. The weakness in the fourth quarter (-19.8%) is linked to the difficult basis of comparison offered by the corresponding period 2020/21, characterized by the launch of the PS5 and the boom in electric mobility, as a result of government incentives in force in that

period. Compared to the last fiscal year before Covid, the increase in turnover in the category is, however, 14.2%.

The **Services** category (4.5% of total revenues) recorded revenues of Euro 132.5 million, up on both the previous fiscal year (+22.3%) and the pre-Covid period (+29.5%). The positive performance benefited from Unieuro's ongoing focus on providing services to its customers, with particular reference to extended warranties, delivery and transport.

Operating profitability

(in millionas and as a percentage of revenues)	Period ended						Changes	
	28 February 2022			28 February 2021				
	Adjusted values	%	Adj.	Adjusted values	%	Adj.	Δ	%
Revenues	2,949.7			2,685.2			264.5	9.9%
Sales revenues	2,949.7			2,685.2			264.5	9.9%
Purchase of goods and Changes in inventories	(2,332.0)	(79.1%)	(1.6)	(2,113.5)	(78.7%)	0.0	(218.5)	10.3%
Marketing costs	(54.1)	(1.8%)	1.1	(49.5)	(1.8%)	0.3	(4.6)	9.3%
Logistics costs	(83.9)	(2.8%)	0.4	(90.7)	(3.4%)	0.2	6.8	(7.5%)
Other costs	(107.3)	(3.6%)	6.3	(77.3)	(2.9%)	8.7	(30.0)	38.7%
Personnel costs	(206.3)	(7.0%)	0.9	(175.5)	(6.5%)	0.3	(30.8)	17.5%
Other operating income and costs	(4.6)	(0.2%)	(0.4)	(5.9)	(0.2%)	0.0	1.3	(22.1%)
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	7.7	0.3%	7.7	5.2	0.2%	5.2	2.5	48.8%
Adjusted EBITDA	169.4	5.7%	14.3	178.0	6.6%	14.6	(8.7)	(4.9%)
Amortisation, depreciation and write-downs of fixed asstes	(97.3)	(3.3%)	0.2	(91.2)	(3.4%)	-	(6.1)	6.7%
Adjusted EBIT¹	72.1	2.4%	14.5	86.8	3.2%	14.6	(14.8)	(17.0%)

In the financial year 2021/22, Unieuro reported an **Adjusted EBIT¹** of 72.1 million euros, consistent with the bracket disclosed to the market when the guidance was published (65 – 75 million euros), though 17% less than the extraordinarily high 86.8 million euros of the previous financial year, when the incidence had been 3.2%. A comparison with the financial year 2019/20, when the Adjusted EBIT had stood at 58.7 million euros, is more significant and shows a steady margin of 2.4% of revenues.

In addition to the disappearance of last year's non-recurring measures on the cost base⁴, the result has been impacted by a drop of 0.3 percent points in the gross margin, in line with the first nine months of the financial year. Though the growth in sales meant a 48.5 million euros' rise in **gross profit**, the incidence on revenues actually dropped to 21.2% versus the

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21.5% of the previous financial year.

Despite the greater weight of the Retail channel, the most important in terms of revenues and margins, which in 2020/21 had been weakened by the consumer trends imposed by the pandemic, the gross return has been affected by the different mix of products and brands in the Grey category; the increased weight of sales in the Brown category, with less significant margins; the scarcity of some products on the market in the Other Products category; and the lack of government e-mobility subsidies.

A 30.8 million euros' rise was reported in **Personnel costs**, whereas the last financial year had benefited from the redundancy fund Cassa Integrazione Guadagni in Deroga, the use of holidays and leaves, the non-renewal of expired temporary agreements and the voluntary cut on the managers' salaries as well as the closing down of shopping centres and malls on holidays and pre-holidays. In 2021/22, Personnel costs were also impacted by Finiper taking over the direct management of Unieuro shop-in-shops, the new openings of the time, the new HQ employees and the costs associated with the granting of rights to cycle II of the Long-Term Incentive Scheme 2020-2025. Therefore, the incidence rose to 7% versus the 6.5% of the previous financial year, but turns out to be less when compared to the pre-pandemic 7.5%.

Logistics costs decreased by 6.8 million euros compared with the last financial year, from 90.7 to 83.9 million euros, with an incidence on revenues back to pre-pandemic levels (2.8%) compared with last year's 3.4% peak, when the emergency had caused a steep rise in home deliveries from e-commerce. There was definitely an improvement, despite the greater shipping and handling costs associated with the greater turnover.

Other costs rose by 30 million euros compared with the financial year 2020/21, with an incidence of 3.6% on revenues from the previous 2.9%. Such trend is mainly due to the fewer concessions received by landlords on the payment of rents, the higher variable rents due to the turnover and the increased per cent weight of the agreements that have a variable component. In that period, the operating costs increased too, mainly in connection with utilities (+8.5 million euros), the maintenance of the stores, the commissions on payments and the consultancy fees for strengthening the IT infrastructure and developing new projects.

Marketing Costs kept the incidence steady at 1.8% on revenues with a 4.6 million euros' rise (+9.3%) from 2020/21, mainly resulting from the cost of digital, radio and TV campaigns as a result of the Company's choice to focus more on digital consumption and increase the number of promotional campaigns.

Amortisations and Depreciations of Fixed Assets amounted to 97.3 million euros, up compared to the 91.2 million euros of the previous financial year, with an incidence dropping from 3.4% to 3.3% on revenues.

Net income Adjusted²

(in millions and as a percentage of revenues)	Period ended						Changes	
	28 February 2022			28 February 2021				
	Adjusted values	%	Adj.	Adjusted values	%	Adj.	Δ	%
EBIT Adjusted ¹	72.1	2.4%	14.5	86.8	3.2%	14.6	(14.8)	(17.0%)
Financial income and expenses	(12.8)	(0.4%)	0.05	(13.3)	(0.5%)	-	0.5	(4.0%)
Income taxes	(5.4)	-0.2%	(5.3)	(6.6)	-0.2%	(1.3)	1.2	(18.5%)
Adjusted profit/Loss of the period ²	53.9	1.8%	9.3	66.9	2.5%	13.4	(13.0)	(19.5%)

Adjusted Net Income² for the financial year amounted to 53.9 million euros, accounting for 1.8% of revenues versus the extraordinary 66.9 million euros of 2020/21 (2.5% of revenues) and the 42.1 million euros of 2019/20, the last financial year before the pandemic (1.7% of revenues).

Such performance reflects the normalisation of the Adjusted EBIT¹, only partly set off by the reduction in net financial charges for the adjustment to IFRS 16 and income tax. It is noted that, following Unieuro's voluntary waiver, the tax benefits first included in the Half-Year Report from the fiscal readjustment of the goodwill pursuant to art.110 paragraph 8 LD no. 104/2020 and Act no.178 30 December 2020 were forfeited, instead.

Investments

Investments over the period amounted to Euro 52.1 million (of which only 1.7 million of an extraordinary nature), compared to Euro 31.6 million in 2020/21.

The strong acceleration, consistent with the Strategic Plan announced in June, mainly concerned the interventions on the network of direct stores, with 10 new openings, 3 relocations and 5 refurbishments, as well as the important investments in information technology, including the adoption of electronic labels in a significant and growing number of direct stores, the implementation of the new SAP S/4HANA management system and the launch of the new e-commerce website after the completion of the "Revolution" project.

Net Financial Position

As at 28 February 2022, Unieuro reported a **Net Cash³** of 135.7 million euros, versus the 154.8 million euros of 28 February 2021. Leaving aside the expenses for the substantial dividend paid out in June 2021 (53.8 million euros) and the buyback of November 2021 to January 2022 (12.3 million euros), the Net Cash³ would be 47 million euros higher.

The **Adjusted Free Cash Flow⁵**, the metric that the Company considers the most appropriate to measure cash generation as it reflects no nonrecurring inflows or outflows,

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actually generated 49.4 million euros through good operations management. Such amount should be compared with the extraordinarily high cash generation of the previous financial year (124.7 million euros), which had benefited from the non-recurring measures taken by the management in response to the pandemic.

The Management's forecasts on cash generation (Adjusted Free Cash Flow⁵ of 40 to 50 million euros), announced to the market last June and then reiterated, have therefore been met, despite a 4th-quarter financial performance partly affected by the business dynamics resulting from the success of the Manà Manà Black Friday campaign, with the commercial debts incurred before the peak season falling due in the first two months of 2022.

Employees

On 28 February 2022, Unieuro had a total of 5,784 employees on its payroll, compared to 5,385 on 28 February 2021 (+7.4%). The increase, amounting to 399 units, is mainly ascribable to the new direct stores opened throughout the year and the strengthening of the headquarter functions.

Significant events during the period

Adoption of SAP management software

The transition to the new SAP S/4HANA management software began on 1 March. The adoption of the new ERP (Enterprise Resource Planning) was planned some time ago and implemented with the support of leading consulting firms, in order to radically evolve the company's information systems, making them technologically advanced and functional to Unieuro's omnichannel growth strategy.

Expansion in the Turin metropolitan area

On 31 March 2021, Unieuro announced a significant strengthening of its network in the Piedmontese capital, thanks to the acquisition from 2C S.r.l. of a business unit consisting of two stores and the signing of an affiliation contract concerning the third shop managed by the same company. The three shops, which were previously part of the Expert buying group, reopened under the Unieuro banner in April.

The new headquarters

As of April 1, 2021, Unieuro officially moved its headquarters from Via Schiaparelli 31 to Palazzo Herculani, in Via Maroncelli 10, also in Forlì.

Iliad's entry into the capital

On 6 April, Unieuro took note of the purchase by Iliad S.A. of a stake of around 12% of the share capital. Unieuro already has a successful commercial relationship with Iliad, and the latter declared its intention to accompany the Company in its long-term growth.

Consensual termination of the employment relationship with the CFO

Following the agreement for consensual termination of employment signed by Unieuro and Italia Valenti on 9 April 2021, on June 1 Marco Pacini was appointed as the new Chief Financial Officer of the Company, with responsibility for the entire Finance area of Unieuro, including Administration & Control, Finance, Legal, Corporate Development and Investor Relations.

Approval of the Strategic Plan to 2026

On 10 June, 2021, the Board of Directors approved Unieuro's five-year Strategic Plan, which calls for strong investments - averaging over Euro 50 million per year - dedicated to completing the company's digital transformation, with the goal of becoming the industry's omnichannel market setter. The Plan also foresees a strong cash generation in the five-year period, which will be put at the service of external growth, in Italy and abroad, and of shareholders' remuneration. The Plan foresees revenues of up to Euro 3.3 billion and an Adjusted EBIT of between Euro 85 and 95 million in the financial year 2025/26.

The Shareholders' Meeting

On 15 June, the Shareholders' Meeting of Unieuro, which met in ordinary and extraordinary session, in single call, approved the financial statements as of 28 February 2021; resolved to allocate the profit for the year, including the distribution of a dividend of Euro 2.60 per share for a maximum total of Euro 54.2 million; approved the first and voted in favor of the second section of the Report on Remuneration Policy and the remuneration paid; approved the proposal to increase the remuneration of the members of the Board of Directors and the members of the Board of Statutory Auditors. The General Meeting also re-determined the number of members of the Board of Directors from nine to eleven and approved the appointment of Benedetto Levi and Giuseppe Nisticò as new Directors of the Company. Finally, the General Meeting amended Articles 13.1, 13.9 and 14 of the Articles of Association and decided not to amend Article 17.1.

The agreement with Margherita Distribuzione

On 30 July 2021, Unieuro and Margherita Distribuzione S.p.A. (Conad) signed a framework agreement aimed at opening four new direct Unieuro stores inside as many ex-Auchan hypermarkets, three of which belong to the list of the top 20 Italian commercial locations for walkability, and will develop at regime about Euro 40 million of additional annual revenues. The four new stores were inaugurated between 28 and 30 October.

The new e-commerce site

Five years after the launch of the first e-commerce platform, on 20 September 2021 Unieuro presented the results of the "Revolution" project: a new website and a new app that are more distinctive than ever, designed with a "desktop last" perspective and strongly inspired by the navigation and use style typical of social networks.

Subscription of ESG-linked credit lines

In November 2021, Unieuro subscribed four ESG-linked revolving credit lines of Euro 150 million, with a duration of 3 years, aimed at financing working capital requirements. The credit lines are linked to specific ESG indicators, which are already included in the

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regulations of the LTI Plan 2020-2025, and the desirable achievement of the targets will activate a mechanism for adjusting the margin applied to the credit lines.

The Buyback

On 11 November 2021, the Board of Directors of Unieuro resolved to launch a share buyback program, as part of the authorization received from the Shareholders' Meeting of the 17 December 2020. The Program ended the following 11 January with the repurchase of 600,000 treasury shares, approximately 2.9% of the subscribed and paid-up share capital at the date of the resolution, at an average price of Euro 20.56 for a total value of Euro 12.3 million.

The new management offices in Milan

On 18 November 2021, Unieuro inaugurated new executive spaces in the center of Milan, at Via Marghera 28, formerly Mondadori Multicenter, intended, among other things, to house the legal and administrative headquarters of the subsidiary Monclick. On the ground floor of the building, the following 20 November, the seventh Unieuro store in the city of Milan was opened to the public: 1,900 square meters of retail space at the service of one of the most commercially attractive areas of the city.

The success of the "Manà Manà Black Friday".

On 2 December 2021, Unieuro successfully completed the now traditional November promotional campaign, this year renamed "Manà Manà Black Friday". With a duration substantially in line with the "Change Black Friday" of 2020, the campaign recorded further growth in revenues, thanks to a double-digit increase in the direct channel (Retail and Online) and the performance of the renewed unieuro.it platform.

The antitrust fine (sanzione Agcm)

On 23 December 2021, AGCM, the Italian Competition Authority, finalised some proceedings against Unieuro and its subsidiary Monclick, among others, and ordered them to pay a fine of 4 and 0.3 million euros, respectively, for the unfair commercial practices they allegedly committed mainly during the public health emergency. Both Unieuro and Monclick have challenged such fines with the Regional Court of Latium.

Events following the closing of the financial year

Prospective strengthening of logistics

On 14 April 2022, Unieuro entered into an agreement with Vailog, a leading Italian real estate company, for opening a new logistic hub at Colleferro (Rome) to serve Central and Southern Italy, which will be operative by the end of 2023. So, partly aided by the forthcoming upgrading of the central platform in Piacenza, the Company is taking a new, important step forward in the development of its logistics set-up, which - when steadily operating - will reach 200.000 square metres of goods storage and handling capacity, in the attempt to adapt it to a rapidly growing business and to the increasingly high service standards that customers are looking for.

Updates on the Covid-19 emergency and the conflict in Ukraine

On 24 May 2021, following the progress of the vaccination campaign and the ensuing improvement in epidemiological data, the government lifted the restrictions on the opening of shopping malls on holidays and pre-holidays, thus removing the last major restriction on Unieuro's business.

Then, with the arrival of autumn first, then of winter, in Italy the epidemiological situation got worse again. The measures taken by the authorities, including the Green Pass and the Super Green Pass, did not have however any negative impact on the retail sales of consumer electronics and household appliances, even less on Unieuro's business.

On 24 February 2022, Russia invaded Ukraine. Unieuro has no direct business and/or financial relations with any sanctioned Russian business, but it is exposed to the risks that may be posed by a worsened macroeconomic scenario. Therefore, the Company promptly took measures to contain its expenditure and is considering new actions, such as capping the price of power supplies by entering into long-term agreements.

Outlook

The outbreak of the war in Ukraine, virtually at the same time as the start of Unieuro's new financial year, suddenly changed the scenario.

Actually, the serious geopolitical crisis has led to a further rise in the prices of power and raw materials, which has clearly impacted on the prices for the manufacture of goods and services and on the families' purchasing power, only partly protected by the political measures.

Add to this the new risk of delays in the global manufacturing and logistic chains, triggered by the rise in the cost of fuel and transport, and by China's "Zero-Covid" policy, which will cause the global supply chains to be totally reshaped in the medium-long term.

This mix of phenomena invites us to caution, especially in the short term, in our predictions about the next developments in the Italian consumer electronics and household appliance market.

The purchase prices of the products will be affected by the higher costs of some raw materials, such as lithium and steel, and the rise in the price of fuels and sea freight, impacting on most retail prices and forcing retailers to revise their retail prices.

The renewal of TVs, pushed by the digital TV transition, is expected to give a still positive boost, and likewise the demand for 5G devices, is expected to support the telephone sales. However, the market for IT and household appliances, which are more sensitive to economic cycles, might slow down, especially compared to the strong performance of the last two years.

The longed-for end of the conflict in Ukraine and the slowing down of inflation would help improve our expectations, with favourable repercussions on the business trends of the whole industry.

The first two months of Unieuro's financial year 2022/23, though quite unremarkable in the light of the seasonal cycle of the business, have seen the turnover grow even more than in the same period last year, and the Company is working hard to implement its Strategic Plan, focussed on increasing its market shares while maximising its operating efficiency and effectiveness.

Given the remarkable level of uncertainty that is troubling the macroeconomic scenario, Unieuro's Management believes that the guidance on revenues, profitability and cash generation for the current financial year should be postponed to the next few months, consistently with the prudent, realistic approach taken so far.

Proposed allocation of profits and dividend distribution

Unieuro's Board of Directors resolved to propose to the General Meeting of Shareholders, convened on 21 June 2022, to allocate the year's profits of the parent company Unieuro S.p.A., amounting to 44.6 million euros as reported in the financial statements as at 28 February 2022, to the Statutory Reserve in the amount of 0.02 million euros, to distribute dividends as detailed below, and put the rest into a disposable, distributable non-statutory reserve.

Such proposed dividend amounts to 1.35 euros per share, which is 26% higher than the last pre-pandemic coupon payment and has been based on the Company's dividend policy, which involves the yearly payment of at least 50% of the Adjusted Net Income², and the 20,698,621 ordinary shares that currently make up the Company's capital, 600,000 of which are not entitled to receive profits as they are held by Unieuro as treasury stock.

At present – regardless, therefore, of the potential issuance of up to another 159,584 shares from the use of the stock options that have been allocated but not used yet in connection with the managerial incentive scheme or LTIP 2018-2025 – the overall amount to be allocated to dividends can be quantified in 27.1 million euros, with a pay-out of 50.3% of the Adjusted Net Income, which is perfectly in line with the aforesaid dividend policy.

The dividends, which provide a remarkable return⁶ of 8.7%, will be paid-out in one single instalment on 29 June 2022, with ex-dividend date on 27 June 2022, according to the trading calendar of the Italian Stock Exchange, and record date on 28 June 2022.

The final overall amount to be allocated to dividends will be based on the actual number of shares entitled to a dividend on the record date.

Sustainability Plan 2022-2026

Along with the results of the financial year, on this day the Board of Directors has approved Unieuro's Sustainability Plan, through which the Company means to respond to the stakeholders' increasingly demanding expectations in environmental, social and governance areas.

Inspired by the UN *Sustainable Development Goals* as part of the 2030 Agenda for Sustainable Development, such Plan will give a formal, concrete shape to the sustainability guidelines laid down in the Strategic Plan "Our Omni-Journey to 2026", presented in June 2021, with a focus on the issues that are material to Unieuro.

As it has always happened throughout Unieuro's history, we want to be champions of change, by keeping looking to our future and to the future of the new generations.

We are perfectly aware of our social role, and that's why we work to combine the creation of economic value with care for social, environmental and governance matters.

Today, we are proud to present our first Sustainability Plan, tangible evidence of the way listening to and constantly interacting with Stakeholders, a care for people, for communities and for the ecosystem will be increasingly underpinning the sustainable growth of Unieuro, in an escalating creation of shared value."

Stefano Meloni, Chairman Unieuro.

Relying on a four-year horizon that is consistent with the expiration of the Strategic Plan, the Sustainability Plan took inspiration from it for the four strategic ESG pillars – Culture, Community, Sustainable Innovation and Talent – and shaped them up into 31 projects:

- The area of **Culture** includes 8 actions, mainly aiming to strengthen the Company's ESG governance, e.g. implementing a sustainability policy, taking a dedicated rating, increasing its focus on the mapping of non-financial risks and the alignment of the managerial incentive schemes with the new environmental and social metrics.
- In the **Community** pillar, the Plan focusses on 3 actions of a high social value by leveraging on #cuoriconnessi, a long-established project against cyber-bullying in partnership with the Italian state police, which will be bolstered by other specific initiatives to help elderly people use technology and support the oncological hospital Istituto Oncologico Romagnolo in raising young people's awareness about adopting a healthy lifestyle to prevent oncological disorders.
- One of the most interesting actions among the 11 ones included in the **Sustainable Innovation** pillar is the promotion of sustainable, responsible practices in the supply chain, the measurement and reduction of the corporate

footprint, with a focus on the reduction of waste, the reuse and recycle of products, even from the perspective of circular economy. This pillar also includes all those actions that aim to promote customer's centrality and strengthen the company's reputation.

- Finally, the **Talent** area consists of 9 actions designed to promote a sustainability culture throughout the organisation through a three-year training programme for all employees. Such programme will be supported by specific engagement programmes focussed on sustainability. In addition, actions to promote diversity, equality, inclusion and the full enhancement of human capital have been planned as well, not least to put Unieuro's in a better position in terms of talent attraction and retention.

A key management tool for the planning and monitoring of all present and future ESG initiatives, the Plan is an essential piece of Unieuro's strategic evolution towards an integrated thinking framework, by fostering effective coordination among the corporate functions and spread a sustainability culture throughout the organisation. To make sure the projects are constantly aligned with the strategic priorities and the results achieved, they will be constantly monitored and the Plan will be updated once a year, from the perspective of continuous improvement.

Along with the working out of the Sustainability Plan 2022-2026 and the launch of multiple projects, the area of sustainability governance has been further upgraded by creating a dedicated department and a high-level cross-functional in-house committee. Such initiatives follow on the establishment of the Sustainability Committee within the Board of Directors in November 2020.

Still about sustainability, the Board of Directors approved the **Consolidated Non-Financial Statement 2021/22**, in accordance with Law Decree no. 254/2016 in implementation of EU Directive 2014/95, the Global Reporting Initiative Sustainability Reporting Standards 2016 and any later versions of the GRI – Global Reporting Initiative ("GRI Standards").

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Other Board resolutions

In addition, at today's meeting, Unieuro's Board of Directors resolved to submit its own slate of names for the renewal of the Board, by approving the slate of candidates for the positions of Director and President of the Board of Directors.

Moreover, the Board has convened the Ordinary and Extraordinary General Meeting of Shareholders on 21 June 2022 and has approved, among other things, the items on the meeting agenda, namely:

- Renewal of the Board of Directors, including all the attendant resolutions;
- Renewal of the Board of Statutory Auditors, including all the attendant resolutions;

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- Proposed Share Performance Plan 2023-2028;
- Proposed mandate to increase the share capital in support of the Plan;
- Proposed authorisation to buy and sell treasury stock, partly in support of the Plan;
- Report on remuneration policy and on remuneration paid as well as Report on Corporate Governance and Ownership Structure, pursuant to art. 123-bis TUF.

In addition, the Board approved the explanatory reports on each item on the meeting agenda.

A detailed explanation of such resolutions will be covered by a dedicated press release, also published on this day.

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Conference Call

Unieuro informs that at 10:00 am (CET) tomorrow, 12 May 2022, a conference call will be held by the Management to present the Company's financial and economic results for the half year ended on 28 February 2022 as well as the Sustainability Plan 2022-2026.

To join the conference call, please dial one of the following numbers:

- Analysts and investors: Italy: +39 02 802 09 11
UK: +44 1 212818004
USA: +1 718 7058796
- Media: +39 02 8020927

A **slide presentation** will be available for download from Unieuro's corporate website www.unieurospa.com, section Investors Relations / Results and Presentations, shortly before the start of the conference call.

A **digital playback** of the conference call, both in Italian and in English, will be available for download at the same link, starting from the second day following the event.

* * *

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 Bonaparte 10, Milan, for the transmission, storage and filing of Regulatory Information made public.

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Mr Marco Pacini, the manager responsible for preparing the company's accounting documents, hereby declares that, pursuant to and in accordance with Article 154-bis, comma 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 in relation to a variety of factors including: global economic conditions, impact of competition, political, economic and regulatory developments in Italy.

* * *

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 280), affiliated stores (about 260) and the unieuro.it digital platform, as well as pure digital player Monclick. The company is based in Forlì, has a central logistics hub in Piacenza and has a staff of over 5,800 employees. Listed on the Euronext STAR Milan since 2017, Unieuro reported revenues exceeding Euro 2.9 billion in the fiscal year ended at 28 February 2022.

* * *

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Summary tables:***Income statement***
(data in Euro millions)

	FY 21/22				FY 20/21				% change (Adjusted)
	Adjusted	%	Reported	%	Adjusted	%	Reported	%	
Sales	2.949,7	100,0%	2.949,7	100,0%	2.685,2	100,0%	2.685,2	100,0%	9,9%
Purchase of goods - Change in Inventory	(2.324,2)	(78,8%)	(2.330,4)	(79,0%)	(2.108,3)	(78,5%)	(2.113,5)	(78,7%)	10,2%
Gross profit	625,5	21,2%	619,3	21,0%	576,9	21,5%	571,8	21,3%	8,4%
Personnel costs	(206,3)	(7,0%)	(207,2)	(7,0%)	(175,5)	(6,5%)	(175,8)	(6,5%)	17,5%
Logistic costs	(83,9)	(2,8%)	(84,2)	(2,9%)	(90,7)	(3,4%)	(90,9)	(3,4%)	(7,5%)
Marketing costs	(54,1)	(1,8%)	(55,1)	(1,9%)	(49,5)	(1,8%)	(49,8)	(1,9%)	9,3%
Other costs	(107,3)	(3,6%)	(113,6)	(3,8%)	(77,3)	(2,9%)	(86,0)	(3,2%)	38,7%
Other operating costs and income	(4,6)	(0,2%)	(4,2)	(0,1%)	(5,9)	(0,2%)	(5,9)	(0,2%)	(22,1%)
EBITDA	169,4	5,7%	155,1	5,3%	178,0	6,6%	163,4	6,1%	(4,9%)
D&A	(97,3)	(3,3%)	(97,5)	(3,3%)	(91,2)	(3,4%)	(91,2)	(3,4%)	6,7%
EBIT	72,1	2,4%	57,5	2,0%	86,8	3,2%	72,2	2,7%	(17,0%)
Financial Income - Expenses	(12,8)	(0,4%)	(12,8)	(0,4%)	(13,3)	(0,5%)	(13,3)	(0,5%)	(4,0%)
Adjusted Profit before Tax	59,3	2,0%	44,7	1,5%	73,6	2,7%	58,9	2,2%	(19,4%)
Taxes	(5,4)	(0,2%)	(0,1)	(0,0%)	(6,6)	(0,2%)	(5,4)	(0,2%)	(18,5%)
Net Income	53,9	1,8%	44,6	1,5%	66,9	2,5%	53,6	2,0%	(19,5%)

Balance Sheet*(data in Euro millions)*

	28 Feb. 2022	28 Feb. 2021
Trade Receivables	43,0	65,3
Inventory	462,1	372,1
Trade Payables	(583,5)	(505,1)
Trade Working Capital	(78,4)	(67,7)
Current Tax Assets	3,2	(3,8)
Current Assets	27,6	19,1
Current Liabilities	(282,8)	(261,2)
Short Term Provisions	(2,2)	(0,8)
Net Working Capital	(332,6)	(314,3)
Tangible and Intangible Assets	124,9	104,5
Right of Use	433,3	451,6
Net Deferred Tax Assets and Liabilities	40,8	37,1
Goodwill	196,1	195,2
Other Long Term Assets and Liabilities	(9,8)	(23,8)
TOTAL INVESTED CAPITAL	452,9	450,3
Net Financial Debt	135,7	154,8
Lease liabilities	(450,2)	(451,9)
Net Financial Debt (IFRS 16)	(314,5)	(297,0)
Equity	(138,3)	(153,3)
TOTAL SOURCES	(452,9)	(450,3)

Cash Flow Statement

(data in Euro millions):

	FY 21/22	FY 20/21	% change
Reported EBITDA	155,1	163,4	(5,1%)
Taxes Paid	(9,3)	(2,5)	266,4%
Interests Paid	(11,1)	(12,4)	(9,9%)
Change in NWC	15,6	62,1	(74,9%)
Change in Other Assets and Liabilities	2,0	0,4	451,1%
Reported Operating Cash Flow	152,2	210,9	(27,8%)
Purchase of Tangible Assets	(27,7)	(18,8)	47,2%
Purchase of Intangible Assets	(24,4)	(12,7)	91,5%
Change in capex payables	1,7	(0,9)	(292,8%)
Acquisitions	(8,5)	(8,4)	1,1%
Free Cash Flow	93,3	170,1	(45,1%)
Cash effect of adjustments	6,0	1,1	457,1%
Non recurring investments	10,0	8,4	18,6%
Other non recurring cash flows	(2,6)	1,1	(342,1%)
Adjusted Free Cash Flow (IFRS 16)	106,7	180,7	(40,9%)
Lease Repayment	(57,3)	(55,9)	2,5%
Adjusted Free Cash Flow	49,4	124,7	(60,4%)
Cash effect of adjustments	(3,4)	(2,2)	58,8%
Acquisition Debt	(2,4)	-	(100,0%)
Dividends and Buybacks	(66,1)	-	(100,0%)
Log Term Incentive Plan	4,3	3,3	29,6%
Other Changes	(0,9)	(0,6)	47,3%
Δ Net Financial Position	(19,2)	125,3	(115,3%)

¹ **Adjusted EBIT** is EBIT adjusted for (i) nonrecurring charges/(income), (ii) nonrecurring depreciation and amortization, and (iii) the effects of adjusting revenues for extended warranty services net of related estimated future service delivery costs as a result of the change in the business model for directly operated service delivery 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 (Cash) Financial Debt (or Net Financial Position)** is the difference between financial debt - net of Liabilities for Rights of Use (IFRS 16) - and cash and cash equivalents.

⁴ See press releases dated 13 March 2020, 18 March 2020, 30 March 2020, 14 April 2020, and 6 May 2020

⁵ **Adjusted Free Cash Flow** is defined as the cash flow generated/absorbed by operating activities net of investing activities including borrowing costs and lease-related flows and adjusted for nonrecurring capital expenditures and other nonrecurring operating flows, and including adjustments for nonrecurring expenses (income), their noncash component, and the related tax impact.

⁶ Coupon yield calculated on the closing price of Unieuro stock on 11 May 2022.

⁷ **Revenues like-for-like growth** is calculated by including (i) retail and travel stores that have been in operation for at least one full financial year as of the end of the reporting period, net of stores affected by a significant discontinuity in operations (e.g., temporary closures and major refurbishments) and (ii) the entire online channel

⁸ The segmentation of sales by product category is carried out based on the classification adopted by leading industry experts. Therefore, it should be noted that the classification of revenues by category is periodically reviewed in order to ensure the comparability of Unieuro's data with market data.

All the figures contained in this press release are consolidated. The scope of consolidation includes the Parent Company Unieuro S.p.A. and the wholly-owned subsidiary Monclick S.r.l. (consolidated as from 1 June 2017).

The economic and financial data incorporate the adoption of the accounting standard IFRS 16, which came into force as of 1 January 2019. The Company presents and comments on these magnitudes, except where otherwise indicated