

UNIEURO S.P.A.: BOARD OF DIRECTORS APPROVES Q1 FY25 CONSOLIDATED RESULTS

In the first quarter - which is seasonally unrepresentative for the consumer electronics industry - results in line with expectations, while operating profitability improves for the fourth consecutive quarter over the comparable period

RESULTSⁱ

- In the quarter to May 31, 2024, **revenues of Euro 533.9 million** (-7.0% on Q1 FY24), within contracting market, as was the case in the preceding quarters
- **The newly-acquired Covercare contributes to services growth (+6.1% on Q1 FY24) and to its increased 7.3% share of revenues** (6.4% in Q1 FY24). Launch of extended warranty and home care subscription services
- **Private label revenue growth: +10.3%** over Q1 FY24 and **accounting for 4.5% of total revenues** (3.8% in Q1 FY24), due to the gradual extension of the product range
- **Adjusted EBIT¹ loss of Euro 4.1 million, improving over 50%** on the comparable quarter **and in line with expectations**, thanks to the ongoing close focus on protecting margins and the contribution of Covercare (loss of Euro 8.5 million in Q1 FY24)
- **Net cash² of Euro 0.4 million**, a decrease of Euro 44.1 million on February 29, 2024 (decrease of Euro 44.7 million in Q1 FY24), due to **the seasonal effect**, which typically results in capital absorption in the initial part of the fiscal year

OUTLOOK

- **Guidance for current FY confirmed**

Forlì, July 12, 2024 – The Board of Directors of Unieuro S.p.A. (Euronext STAR Milan: UNIR), Italy's leading distributor of consumer electronics and household appliances, at a meeting today chaired by Stefano Meloni, reviewed and approved the Interim Report at May 31, 2024 for the fiscal year which will conclude on February 28, 2025 ("FY25").

Giancarlo Nicosanti Monterastelli, Chief Executive Officer of Unieuro, stated:

"The results for the quarter indicate a progressive and consistent improvement, highlighting the strength of the strategic decision to focus on services growth and on protecting margins, also through close cost control.

We are determined on the integration and development of Covercare, in addition to the extension of the services catalogue, from which we expect increasing profitability".

ⁱ In application of IFRS 5, the operating, equity and cash flow indicators for the first quarter to May 31, 2024 do not include the contribution of Monclick S.r.l. in liquidation. Where applicable, the comparative figures for the previous period have been restated.

In the first quarter to May 31, 2024, a **seasonally unrepresentative period**, Unieuro reported revenues of Euro 533.9 million, decreasing 7.0% on Q1 FY24, within a contracting market, as was the case in the preceding quarters and in line with expectations. The gross margin of 22.6% increased on 20.4%, thanks to the **continued focus on the high margin sales channels and product categories, in addition to the contribution of the newly-acquired Covercare**. Adjusted EBIT reported a loss of Euro 4.1 million, a significant improvement on the comparable quarter, despite the reduction in revenues, due to the increase in the gross profit and as a result of the operating cost streamlining actions.

The results achieved, thanks to the initiatives put in place, enabled - for the fourth consecutive quarter - an **ongoing improvement of operating profitability** against the comparable periods.

In the first three months to May 31, 2024, the **Covercare** Group generated **Revenues of Euro 13.7 million, Adjusted EBIT of Euro 2.2 million and an Adjusted Free Cash Flow of Euro 3.8 million**. During the quarter, among others, operations continued to serve the major multi-utilities and telephone operators with an integrated offering of products and services, and the set up was completed with the roll-out of the Auditel surveys. In addition, the introduction of the integration and service development programme continued. For example, as part of the **services catalogue extension** projects, the sale of extended warranty services for telephones and tablets, with subscription-based payment by instalments, was successfully launched in pilot mode. The project will gradually be extended across the Unieuro store network. The subscription option has also been introduced on a pilot basis for the sale of home care services, with positive results.

Private label³ revenues in the quarter totalled Euro 23.8 million (+10.3% on Q1 FY24), reaching 4.5% of total revenues, thanks to the gradual extension of the product range over the preceding quarters. In particular, the Electroline-brand small domestic appliance range was further extended in the quarter under review. In addition, the Gaming monitor line was launched, while the range of Ioplee-brand IT accessories was extended. Additional initiatives include the launch of a brand page dedicated to the Ioplee brand on the website www.unieuro.it.

During the first quarter, the first data migration projects were launched on the Cloud, enabling **Artificial Intelligence** and Machine Learning applications developments. The training of employees on Artificial Intelligence topics was also launched for education and awareness purposes, as well as identification of use cases for direct application in sales and end-customer support processes.

Q1 FY25 revenues

For the quarter ending May 31, 2024, Unieuro reports revenues of Euro 533.9 million, compared to Euro 573.8 million in Q1 FY24.

Like-for-like revenues⁴ – comparing sales with the same period of the previous fiscal year on the basis of the same scope of activity - were down 8.9%.

Revenues by sales channel

| | <i>(in millions of Euro and as a percentage of revenues)</i> | | Period ended | | Changes | |
|----------------------------------|--|---------------|--------------|---------------|---------------|---------------|
| | | | May 31, 2024 | May 31, 2023 | Δ | % |
| | | % | % | % | | |
| Retail | 372.2 | 69.7% | 392.4 | 68.4% | (20.3) | (5.2%) |
| Online | 75.4 | 14.1% | 104.8 | 18.3% | (29.4) | (28.1%) |
| Indirect | 50.4 | 9.4% | 53.4 | 9.3% | (3.0) | (5.7%) |
| B2B | 35.9 | 6.7% | 23.1 | 4.0% | 12.8 | 55.5% |
| Total revenues by channel | 533.9 | 100.0% | 573.8 | 100.0% | (39.9) | (7.0%) |

The **Retail channel** – which at May 31, 2024 comprised 270 direct sales points, including the “Unieuro by Iper” shop-in-shops and the direct sales points located at major public transport hubs such as railway stations and metro stations – were impacted by markets developments, whereby overall demand levels contracted.

The **Online channel** – which includes the unieuro.it platform – saw a contraction, reflecting the Company's strategy of favouring higher-margin sales channels and was affected by the comparison with a particularly strong quarter.

The **Indirect channel** – which includes sales made to the network of affiliated stores comprising a total of 253 sales points at May 31, 2024 - reports a contraction in revenues due to general market developments.

The **B2B channel** – which caters to professional customers (including overseas) operating in sectors other than Unieuro's, such as hotel chains and banks, in addition to those purchasing electronic products to distribute to regular customers or employees for point collections, prize contests or incentive plans (B2B2C segment) – reported revenue growth thanks to the contribution of Covercare, included in the consolidation from December 1, 2023, and, to a lesser extent, to greater product availability.

Revenues by product category⁵

| | <i>(in millions of Euro and as a percentage of revenues)</i> | | Period ended | | Changes | |
|--|--|---------------|--------------|---------------|---------------|---------------|
| | | | May 31, 2024 | May 31, 2023 | Δ | % |
| | | % | % | % | | |
| Grey | 263.4 | 49.3% | 278.4 | 48.5% | (15.0) | (5.4%) |
| White | 155.1 | 29.0% | 166.1 | 28.9% | (11.0) | (6.6%) |
| Brown | 53.4 | 10.0% | 61.4 | 10.7% | (8.0) | (13.0%) |
| Other products | 23.2 | 4.3% | 31.4 | 5.5% | (8.1) | (26.0%) |
| Services | 38.7 | 7.3% | 36.5 | 6.4% | 2.2 | 6.1% |
| Total consolidated revenues by category | 533.9 | 100.0% | 573.8 | 100.0% | (39.9) | (7.0%) |

The **Grey** category – comprising telephones, tablets, information technology, telephone accessories, cameras, in addition to all wearable technology products – was affected by the settling of consumption in the Information Technology segment, following the record sales during the pandemic, and a contraction of the telephony segment after years of continual growth.

The **White** category – comprising major domestic appliances (MDA), such as washing machines, dryers, refrigerators or freezers and stoves, small home appliances (SDA), such as

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vacuum cleaners, food processors and coffee machines, in addition to the air conditioning segment – saw a contraction across all segments.

The **Brown** category – including televisions and related accessories, audio devices, smart TV devices, car accessories and data storage systems – saw revenues contract, driven by the television segment which, although contracting, reports a more contained decrease than the preceding quarters which followed the settlement of sales subsequent to the frequencies switch-off.

The **Other Products** category – which includes sales of both the entertainment sector and other products not included in the consumer electronics market, such as electric scooters or bicycles – was impacted by the entertainment segment (consoles and video games), which saw an extraordinary performance in the comparative period.

The **Services** category grew due to the contribution of the Covercare Group.

Operating profitability

| <i>(in millions of Euro and as a percentage of revenues)</i> | Period ended | | | | | | Changes | |
|--|------------------|---------------|-------------|------------------|---------------|-------------|---------------|----------------|
| | May 31, 2024 | | | May 31, 2023 | | | Δ | % |
| | Adjusted amounts | % | Adjustments | Adjusted amounts | % | Adjustments | | |
| Revenues | 533.9 | | | 573.8 | | | (39.9) | (7.0%) |
| Sales revenues | 533.9 | | | 573.8 | | | (39.9) | (7.0%) |
| Purchase of goods and Change in inventories | (416.8) | (78.1%) | - | (457.0) | (79.7%) | 2.9 | 40.2 | (8.8%) |
| Marketing costs | (6.6) | (1.2%) | - | (8.1) | (1.4%) | - | 1.5 | (18.5%) |
| Logistics costs | (16.6) | (3.1%) | - | (18.3) | (3.2%) | 0.1 | 1.8 | (9.6%) |
| Other costs | (22.0) | (4.1%) | 0.2 | (21.7) | (3.8%) | 0.1 | (0.3) | 1.4% |
| Personnel costs | (51.2) | (9.6%) | 0.1 | (50.6) | (8.8%) | 0.1 | (0.6) | 1.2% |
| Other operating income and costs | (1.5) | (0.3%) | - | (0.7) | (0.1%) | - | (0.8) | 128.5% |
| 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 | 3.5 | 0.7% | 3.5 | 0.4 | 0.1% | 0.4 | 3.0 | 698.8% |
| Adjusted EBITDA | 22.7 | 4.2% | 3.8 | 17.8 | 3.1% | 3.7 | 4.9 | 27.3% |
| Amortisation, depreciation and write-downs of fixed assets | (26.8) | (5.0%) | 0.6 | (26.3) | (4.6%) | - | (0.5) | 1.9% |
| Adjusted EBIT | (4.1) | (0.8%) | 4.4 | (8.5) | (1.5%) | 3.7 | 4.4 | (51.4%) |

In the first quarter of FY25, which is unrepresentative as affected by typical consumer electronics market seasonality, the Unieuro Group reported an Adjusted EBIT loss of Euro 4.1 million, significantly improving on the comparative period (loss of Euro 8.5 million) – despite the contraction in sales revenues.

The gross profit increased Euro 3.4 million on the comparative period, with a 22.6% revenue margin improving on 20.4%, thanks to the initiatives undertaken to support the strategies to

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protect margins and the greater contribution from services.

Marketing costs decreased thanks to close cost management and a differing mix of marketing initiatives.

Logistics costs reduced due to the lower sales volumes and the reduced weight of online channel sales.

Other costs rose due to the contribution of Covercare, consolidated from December 1, 2023, partially offset by the decrease in variable sales costs as a result of the reduced volumes, in addition to the reduction in accessory lease costs.

Personnel costs increased mainly due to the inclusion in the consolidation scope of the Covercare Group companies, and the increase in personnel costs from the renewal of the national collective bargaining agreement, partially offset by the streamlining of the sales network.

Amortisation, depreciation and write-downs of fixed assets increased mainly due to the effect of investments in intangible assets in the preceding periods.

Adjusted Result before tax⁶

| <i>(in millions and as a percentage of revenues)</i> | Period ended | | | | | | Changes | |
|--|------------------|---------------|-------------|------------------|---------------|-------------|------------|----------------|
| | May 31, 2024 | | | May 31, 2023 | | | Δ | % |
| | Adjusted amounts | % | Adjustments | Adjusted amounts | % | Adjustments | | |
| Adjusted EBIT | (4.1) | (0.8%) | 4.4 | (8.5) | (1.5%) | 3.7 | 4.4 | (51.4%) |
| Financial income and charges | (2.9) | (0.6%) | 0.6 | (2.4) | (0.4%) | 0.1 | (0.5) | 20.9% |
| Consolidated Adjusted result before tax | (7.0) | (1.3%) | 5.0 | (10.9) | (1.9%) | 3.8 | 3.9 | (35.8%) |

The **Adjusted result before tax** improved as a result of the improved Adjusted EBIT, partially offset by the increase in net financial charges.

Investments

Investments in the period totalled Euro 8.9 million (Euro 5.7 million in Q1 FY24), in line with the investment plan and mainly concerned the information technology projects, which continued from the previous years.

Net Financial Position

At May 31, 2024, Unieuro reported a **Net cash** position of Euro 0.4 million, decreasing Euro 44.1 million on the beginning of the previous fiscal year (reduction of Euro 44.7 million in Q1 FY24). Cash flows, translating into a negative **Adjusted Free Cash Flow** of Euro 45.0 million, in line with the comparable quarter, were impacted by the seasonality of the business, which sees an absorption of capital in the first half of the fiscal year.

Outlook

The market performance and the Q1 results are in line with expectations. Within a still unstable geopolitical and macroeconomic environment, the **Consumer Electronics market** is forecast to **recover in the second half of the fiscal year**, supported by the expected drop in inflation and the consequent increase in consumer spending power, by the forecast renewal of electronics products purchased during the pandemic, in addition to the technological innovation linked to artificial intelligence.

The Group confirms the guidance for FY25 announced to the market, with Revenues in line with the previous year and **Adjusted EBIT in the Euro 35-40 million range**, thanks to the continued policy to closely focus on margins and operating costs. Net Cash at February 28, 2025 is expected to substantially be in line with the end of the previous fiscal year.

Unieuro remains committed to executing the **"Beyond Omni-Journey"** Strategic Plan and to developing its **increasingly services-focused business model**, also thanks to the progressive integration of Covercare.

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The EMARKET SDIR circulation system and the EMARKET STORAGE mechanism were used to send and store Unieuro S.p.A.'s regulated information, available at www.emarketstorage.com, managed by Teleborsa S.r.l. - with registered office in Piazza di Priscilla, 4 - Rome - following authorisation and the CONSOB motions No. 22517 and 22518 of November 23, 2022.

* * *

The Executive Officer for Financial Reporting Marco Deotto declares, in accordance with Article 154-bis, paragraph 2, of Legislative Decree No. 58 of 1998, that the information contained in this press release corresponds to the underlying accounting documents, records and accounting entries.

* * *

This press release contains forward-looking elements of Unieuro's future events and results, which are based on current expectations, estimates and projections on Unieuro's sector and on current management opinions. These elements by nature contain an element of risk and uncertainty in that they depend on future events. The actual results may even diverge significantly from those announced, due to a range of factors, including: global economic conditions, competitive impacts and political, economic and regulatory developments in Italy.

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Unieuro S.p.A.

Unieuro is Italy's leading distributor of consumer electronics and household appliances, thanks to an omnichannel approach which integrates direct stores (over 270), affiliated sales points (over 250) and the unieuro.it digital platform, in addition to services offered by Covercare Group. The company is headquartered in Forlì and has a central logistics platform in Piacenza and approx. 5,400 employees. Listed on the Euronext STAR Milan since 2017, Unieuro reports revenues over Euro 2.6 billion for the fiscal year ending February 29, 2024.

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Summary tables⁸**Consolidated Income Statement***(in millions of Euro)*

| | Q1 FY25 | | | | Q1 FY24 | | | | % change (Adjusted) |
|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------------|
| | Adjusted | % | Reported | % | Adjusted | % | Reported | % | |
| Revenues | 533.9 | 100.0% | 533.9 | 100.0% | 573.8 | 100.0% | 573.8 | 100.0% | (7.0%) |
| Purchase of goods - Change in Inventory | (413.3) | (77.4%) | (416.8) | (78.1%) | (456.6) | (79.6%) | (460.0) | (80.2%) | (9.5%) |
| Gross profit | 120.5 | 22.6% | 117.1 | 21.9% | 117.2 | 20.4% | 113.8 | 19.8% | 2.9% |
| Personnel costs | (51.2) | (9.6%) | (51.3) | (9.6%) | (50.6) | (8.8%) | (50.7) | (8.8%) | 1.2% |
| Logistic costs | (16.6) | (3.1%) | (16.6) | (3.1%) | (18.3) | (3.2%) | (18.5) | (3.2%) | (9.6%) |
| Marketing costs | (6.6) | (1.2%) | (6.6) | (1.2%) | (8.1) | (1.4%) | (8.1) | (1.4%) | (18.5%) |
| Other costs | (22.0) | (4.1%) | (22.2) | (4.1%) | (21.7) | (3.8%) | (21.8) | (3.8%) | 1.4% |
| Other operating costs and income | (1.5) | (0.3%) | (1.5) | (0.3%) | (0.7) | (0.1%) | (0.7) | (0.1%) | 128.5% |
| EBITDA | 22.7 | 4.2% | 18.9 | 3.5% | 17.8 | 3.1% | 14.1 | 2.5% | 27.3% |
| D&A | (26.8) | (5.0%) | (27.4) | (5.1%) | (26.3) | (4.6%) | (26.3) | (4.6%) | 1.9% |
| EBIT | (4.1) | (0.8%) | (8.5) | (1.6%) | (8.5) | (1.5%) | (12.2) | (2.1%) | (51.4%) |
| Financial Income - Expenses | (2.9) | (0.6%) | (3.5) | (0.7%) | (2.4) | (0.4%) | (2.5) | (0.4%) | 20.9% |
| Result before tax from continuing operations | (7.0) | (1.3%) | (12.0) | (2.3%) | (10.9) | (1.9%) | (14.7) | (2.6%) | (35.8%) |
| Result from discontinued operations | 0.0 | 0.0% | (0.3) | (0.1%) | 0.0 | 0.0% | (0.9) | (0.2%) | ns |
| Consolidated result before tax | (7.0) | (1.3%) | (12.4) | (2.3%) | (10.9) | (1.9%) | (15.6) | (2.7%) | (35.8%) |

Consolidated Balance Sheet

(in millions of Euro)

| | 31 May 2024 | 29 Feb. 2024 |
|--|----------------|----------------|
| Trade Receivables | 52.0 | 52.8 |
| Inventory | 479.8 | 435.8 |
| Trade Payables | (535.2) | (552.8) |
| Trade Working Capital | (3.4) | (64.2) |
| Current Tax Assets | 4.0 | 1.3 |
| Current Assets | 23.8 | 22.5 |
| Current Liabilities | (331.4) | (308.4) |
| Short Term Provisions | (1.7) | (1.8) |
| Net Working Capital | (308.6) | (350.6) |
| Tangible and Intangible Assets | 146.4 | 153.1 |
| Right of Use | 368.5 | 384.6 |
| Net Deferred Tax Assets and Liabilities | 30.9 | 30.9 |
| Goodwill | 249.6 | 249.6 |
| Other Long Term Assets and Liabilities | (1.6) | (1.3) |
| Total invested capital - Discontinued operation | (3.5) | (3.2) |
| TOTAL INVESTED CAPITAL | 481.7 | 463.1 |
| Net Financial Position | 0.4 | 44.5 |
| Lease liabilities | (395.7) | (411.4) |
| Net Financial Position (IFRS 16) | (395.3) | (366.9) |
| Net Financial Position (IFRS 16) - Discontinued operation | 0.6 | 0.6 |
| Equity | (86.9) | (96.9) |
| TOTAL SOURCES | (481.7) | (463.1) |

Consolidated Statement of Financial Position

(in millions of Euro)

| | Q1 FY25 | Q1 FY24 | % Change |
|--|---------------|---------------|----------------|
| Reported EBITDA | 18.9 | 13.3 | 42.0% |
| Taxes Paid | - | - | ns |
| Interests Paid | (2.9) | (2.7) | 10.0% |
| Change in NWC | (35.3) | (32.4) | 9.0% |
| Other Changes | 0.3 | 0.2 | 50.2% |
| Reported Operating Cash Flow | (19.1) | (21.6) | (11.5%) |
| Purchase of Tangible Assets | (1.8) | (1.2) | 43.9% |
| Purchase of Intangible Assets | (1.7) | (2.7) | (39.6%) |
| Change in capex payables | (5.5) | (1.7) | 223.8% |
| Acquisitions | (5.6) | - | ns |
| Free Cash Flow | (33.6) | (27.3) | 23.4% |
| Cash effect of adjustments | 0.3 | 3.3 | (91.1%) |
| Non recurring investments | 5.6 | - | ns |
| Adjusted Free Cash Flow (IFRS 16) | (27.7) | (24.0) | 15.5% |
| Lease Repayment | (17.2) | (17.3) | (0.5%) |
| Adjusted Free Cash Flow | (45.0) | (41.3) | 8.8% |
| Cash effect of adjustments | (0.3) | (3.3) | (91.1%) |
| Acquisition Debt | (0.6) | - | ns |
| Non recurring investments | - | - | ns |
| Dividends | - | - | ns |
| Log Term Incentive Plan | - | - | ns |
| Other Changes | 1.8 | (0.1) | (1862.0%) |
| Change in NWC - Discontinued operation | (0.0) | - | ns |
| Δ Net Financial Position | (44.1) | (44.7) | ns |
| Δ Net Financial Position - Discontinued operation | 0.6 | 0.6 | (7.5%) |

¹ **Adjusted EBIT** is EBIT adjusted for (i) non-recurring expenses/(income), (ii) the effects of adjusting extended warranty service revenues, net of the related estimated future service costs as a result of the change in the business model for directly operated service support services (iii) non-recurring amortisation, depreciation and write-downs and (iv) amortisation, depreciation and write-downs deriving from the Purchase Price Allocation.

² **Net financial debt (Cash) (or Net financial position)** is the difference between financial payables - net of Right-of-use liabilities (IFRS 16) - and cash and cash equivalents.

³ It includes brands exclusively for the Italian territory, too.

⁴ **Like-for-like revenue growth** includes: (i) retail and travel stores operating for at least a full fiscal year at the reporting date, net of sales points experiencing significant disruption (e.g. temporary closures and major refurbishments) and (ii) the entire online channel.

⁵ The segmentation of sales by product category is based on the classification adopted by leading industry experts. It should therefore be noted that the classification of revenues by category is periodically reviewed in order to ensure the comparability of Unieuro's figures with those of the market.

⁶ **Adjusted Earnings Before Taxes** is calculated as Earnings Before Taxes adjusted for (i) the adjustments incorporated in Adjusted EBITDA, (ii) adjustments of non-recurring depreciation and amortisation and (iii) adjustments of non-recurring financial expenses/(income).

⁷ **Adjusted Free Cash Flow** is defined as the cash flow generated/absorbed from operating activities, net of investment activities, including financial expense and cash flows from leasing and adjusted for non-recurring investments and other non-recurring cash flows, while including adjustments for non-recurring expense (income), their non-cash component and the relative tax impact.

⁸ Reclassified Income Statement, Balance Sheet and Cash Flow Statement are unaudited.

All data contained in this notice is consolidated.

Unless otherwise indicated, all amounts are stated in millions of euro. Amounts and percentages were calculated on amounts in thousands of euro and, thus, any differences found in certain tables are due to rounding.