



PRESS RELEASE

2018/19 PRELIMINARY REVENUES OF €2.1 BILLION

UNIEURO IS THE NEW LEADER IN THE DISTRIBUTION OF CONSUMER ELECTRONICS AND HOUSEHOLD APPLIANCES IN ITALY

- Preliminary revenues of €2,104.5 million, up 12.3 %, driven by acquisitions, organic growth, Mass Merchandisers and e-commerce
- Record online revenues of €245 million, 11.6% of total
- Indirect Channel up 10.5% driven by the partnership with Finiper
- Adjusted EBITDA¹ expected to grow further compared to €68.9 million in the previous year. Dividend in line with market expectations

Forlì, 15 March 2019 – The Board of Directors of Unieuro S.p.A. (MTA: UNIR), the Italian leader in the retail market of consumer electronics and household appliances, met today to examine and approve the company's consolidated preliminary revenues and some preliminary results for the fiscal year ended at 28 February 2019, unaudited.

In light of revenues of €2.1 billion, Unieuro has become the market leader² for the first time in its history, no longer only in terms of number of stores and profitability, but also in terms of business volume.

A leadership that during the fiscal year in progress is going to strengthen even more due to the former Pistone shops being consolidated, the shop-in-shops of Unieuro by Iper reaching run rate and the incremental contribution of acquisitions and new openings being completed in the past twelve months.

Giancarlo Nicosanti Monterastelli, Chief Executive Officer of Unieuro, commented: *“When our growth path started in 2005, the company registered approximately €300 million revenues with about twenty stores and a handful of affiliates. In fourteen years, thanks to dozens of new openings and countless acquisitions without asking the shareholders to provide resources, we have reached a historic milestone and achieved the market leadership also in terms of revenues”.*

¹ Adjusted EBITDA is EBITDA adjusted for: (i) non-recurring expenses/(income) and (ii) the impact from the adjustment of revenues for extended warranty services net of related estimated future costs to provide the assistance service, as a result of the change in the business model for directly managed assistance services.

² Sources: Annual Report 2017/18 of Ceconomy AG, press release of Euronics Italia dated 19/02/19, and Company's market estimates.



“We are extremely proud to have conquered a summit that seemed unattainable in the not-too-distant past and we are preparing to celebrate it in the best way: by presenting to shareholders income results in further growth and offering them a dividend pay-out in line with their expectations”.

In terms of margins, Unieuro anticipates that higher revenues combined with a continuing focus on cost structure will make it possible to reach a higher Adjusted EBITDA¹ than the amount of €68.9 million posted in the previous fiscal year.

The final accounting data will be approved by the Board of Directors scheduled for 8 May 2019, together with the resolution on the dividend pay-out.

Preliminary revenues at 28 February 2019³

In fiscal year 2018/19, Unieuro earned revenues of €2,104.5 million, up 12.3 % compared to €1,873.8 million in the previous fiscal year, recording an increase of €230.7 million.

The trend in revenues benefited both from external and internal growth actions and from the company's favourable performance in the second half of the year, marked by an excellent Black Friday and by a significantly positive Christmas season.

The contribution of acquisitions during the fiscal year under review and during the previous one produced a positive impact of €132.6 million, thanks to a different business scope resulting from the opening of 8 former Cerioni / Euronics stores between December 2017 and January 2018 and the opening of 14 new sales outlets starting in September 2018, the result of the acquisition of the former DPS / Trony and former Galimberti / Euronics business units.

The forward leap in online business and the partnership signed with Finiper, which marked the arrival of Unieuro in the Mass Merchandisers' distribution channel, further boosted the positive revenue trend.

The evolution of **like-for-like revenues⁴** - i.e. the comparison of sales with those in the same period last year based on the same scope of operations - was a positive **4.9%**.

³ From 1 March 2018, Unieuro has adopted IFRS 15 retroactively with the cumulative effect at the date of the first-time adoption (i.e. 1 March 2018). Therefore, the information relating to the comparison period has not been restated, in other words it has been presented in accordance with IAS 18, IAS 11 and the related interpretations. For more details, please refer to note 2.5.1 “Changes in accounting standards” of the Condensed Half-Year Consolidated Financial Statements approved on 14 November 2018.



Excluding from the scope of analysis sales outlets adjacent to newly opened stores, and therefore not included in the like-for-like computation, like-for-like sales recorded an even stronger growth of 6.9%.

Revenues by sales channel

	Period ended at				Change	
	28 February 2019	%	28 February 2018	%	2019 vs. 2018	%
<i>Retail</i>	1,477.7	70.2%	1,327.9	70.9%	149.8	11.3%
<i>Online</i>	245.0	11.6%	185.0	9.9%	60.1	32.5%
<i>Indirect channel</i>	231.0	11.0%	209.0	11.2%	22.0	10.5%
<i>B2B</i>	117.1	5.6%	128.4	6.9%	(11.3)	(8.8%)
<i>Travel</i>	33.6	1.6%	23.6	1.3%	10.0	42.6%
Total revenues by channel	2,104.5	100.0%	1,873.8	100.0%	230.7	12.3%

The Retail channel (70.2% of total sales) - which at 28 February 2019 included 225 directly operated stores located in areas deemed commercially strategic and characterised by different sizes in terms of surface area - recorded an increase of 11.3% in final sales equal to €1,477.7 million, mainly due to the increase in the number of stores (11 additional stores compared to 28 February 2018) and a good performance of the sales network on a like-for-like basis, especially driven by smartphones, TV sets and the vacuum-cleaner department.

The online channel, which for the first time was the second top contributor to Unieuro's total revenues with a share of 11.6%, generated €245 million in revenues (up 32.5%), recording an increase of €60.1 million over the previous fiscal year. Net of the contribution of the subsidiary Monclick S.r.l., whose channel revenues were €46.3 million, the organic growth of Unieuro's digital operations was 30.8%, a double-digit figure for the fourth consecutive year. The reasons for this success, both in absolute value and in terms of

⁴ Starting in the first half of 2018/19, the procedure to calculate like-for-like sales has been adapted to the method adopted by the main market players for the purpose of providing a better representation of the company's management performance based on the same scope of operations. Like-for-like sales growth is now calculated including: (i) retail and travel stores that have been operating for at least one entire fiscal year at the closing date of the reference period, excluding sales outlets affected by significant business discontinuity (e.g. temporary closures and large-scale refurbishments) and (ii) the entire online direct channel. The previous calculation method of like-for-like revenues did not include the online channel in its entirety.



market share, are to be found in the company's omnichannel strategy, which attributes the precious role of pick-up point to the physical store for the benefit of web customers. Continuous innovation linked to the incessant release of new features and platform improvements, attention to content and effectiveness of digital communication campaigns have further strengthened Unieuro's competitive advantage.

The Indirect channel⁵ (11% of total sales) - previously referred to as Wholesale channel, which includes sales to the network of affiliated stores and revenues generated in the segment of Mass Merchandisers through partnerships with leading industry operators, for a total of 275 stores - recorded revenues of €231 million, up 10.5% compared to €209 million in the previous fiscal year. Growth was driven by the segment of Mass Merchandisers, with the opening of the first 14 Unieuro by Iper shop-in-shops in *Iper, La grande i* hypermarkets within the scope of the partnership formalised last 10 January 2019.

The **Business-to-Business channel**⁵ (5.6% of total sales) – which caters to business customers, including foreign customers, operating in sectors other than that of Unieuro, such as hotels and banks, as well as operators purchasing electronic products to be distributed to their regular customers or to employees for loyalty points, prize contests, or incentive plans (referred to as B2B2C segment) – recorded revenues of €117.1 million, down 8.8% compared to the previous fiscal year, in light of the changed conditions of the competitive context starting from the last quarter of the fiscal year. The contribution of the subsidiary Monclick amounted to €13.1 million.

Finally, the **Travel channel** (1.6% of total sales) – made up of 12 directly operated stores located at main public transport hubs such as airports and railway or metro stations – recorded an increase in revenues of 42.6%, amounting to €33.6 million, also thanks to the opening of the new store formerly owned by DPS/Trony located at the Milan San Babila metro station in the month of October 2018.

Revenues by product category⁶

⁵ For the purpose of better representation, supplies of goods to an ongoing customer operating in the consumer electronics market without using the Unieuro brand were reclassified from the indirect channel to the B2B channel.

⁶ Sales by product category have been segmented on the basis of the classification adopted by the main sector experts. Note therefore that the classification of revenues by category is revised periodically in order to guarantee the comparability of Group data with market data.



(In Euro million and as a percentage of revenues)	Period ended at				Change	
	28 February 2019	%	28 February 2018	%	2019 vs. 2018	%
Grey goods	992.8	47.2%	884.0	47.2%	108.8	12.3%
White goods	548.5	26.1%	493.3	26.3%	55.2	11.2%
Brown goods	367.9	17.5%	326.0	17.4%	41.9	12.9%
Other products	110.6	5.3%	103.7	5.5%	6.9	6.7%
Services	84.6	4.0%	66.8	3.6%	17.8	26.7%
Total revenues by category	2,104.5	100.0%	1,873.8	100.0%	230.7	12.3%

Grey goods – i.e. photo cameras, video cameras, smartphones, tablets, desktop and laptop computers, monitors, printers, telephony accessories and all wearable technology products – kept the impact on total revenues unchanged at 47.2%, generating revenues of €992.8 million, up 12.3% compared to €884 million in the previous fiscal year, thanks to the good performance of the Telephony segment, which benefited from a shift in the product mix towards the top of the range and from a good performance of some new models, in addition to the positive sales performance of wearables and accessories, earphones in particular.

White goods – representing 26.1% of sales and comprising major domestic appliances (MDA), such as washing machines, dryers, refrigerators or freezers, and stoves, small domestic appliances (SDA), such as vacuum cleaners, kettles, coffee machines, as well as the air conditioning segment – generated revenues of €548.5 million, up 11.2% compared to €493.3 million in the previous fiscal year, due to the success of the vacuum-cleaner department and an increased penetration of dryers and dishwashers.

Brown goods (17.5% of total revenues) – which include televisions sets and related accessories, smart TV devices and car accessories, as well as storage devices – achieved revenues of €367.9 million in the period under review (up 12.9% compared to €326 million in the previous fiscal year) benefiting from the growing success of high-end television sets, especially Ultra HD and OLED TVs, from the good performance of the audio segment and from the driving effect of the 2018 Football World Cup.

Other products (5.3% of total revenues), which include sales in the entertainment sector and sales of other products not included in the consumer electronics market, such as hoverboards and bicycles, recorded revenues of €110.6 million, up 6.7% compared to the previous fiscal year, especially due to the good performance of videogame consoles, which offset the sales drop of products linked to electric mobility.

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

FY 2018/19 revenue figures contained in this press release are preliminary figures. The final data will be examined and approved by the Board of Directors of Unieuro scheduled for 8 May 2019.



Lastly, the category of **Services** (4.0% of total revenues) posted the greatest growth, increasing revenues by 26.7%, amounting to €84.6 million, due to the expansion of the sales network and the company's continued focus on the provision of services to its customers. The performance of warranty extensions and consumer credit were excellent.

Other resolutions of the Board of Directors

Today, the Board of Directors of Unieuro also approved the company's Anti-bribery Policy, its so-called "Whistleblowing" Policy, as well as an updated version of its Organisation and Management Model pursuant to Legislative Decree No. 231/2001 and of its Code of Ethics.

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For the transmission, storage and filing of the Regulatory Information to be made public, Unieuro S.p.A. has chosen the platforms "eMarket SDIR" and "eMarket STORAGE" managed by Spafid Connect S.p.A., with offices in Foro Buonaparte 10, Milan.

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Mr Italo Valenti, the Director responsible for preparing the company's accounting and corporate documents, hereby declares that, pursuant to and in accordance with Article 154-bis, paragraph 2, of Legislative Decree No. 58 of 1998, the information contained in this press release matches the company's documentation, books and accounting records.

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Unieuro S.p.A.

Unieuro is the Italian leader in the distribution of consumer electronics and household appliances, thanks to an omnichannel approach that integrates directly operated stores (about 250), affiliated stores (about 270) and the unieuro.it digital platform. The company is based in Forlì, has a central logistics hub in Piacenza and has a staff of about 5,000 employees. Listed on the STAR segment of the Italian Stock Exchange since 2017, Unieuro reported revenues of €2.1 billion in the fiscal year ended at 28 February 2019.

Corporate website: www.unieurospa.com

LinkedIn: www.linkedin.com/company/unieuro

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