



PRESS RELEASE

UNIEURO S.P.A.: STRONG GROWTH RESULTS IN THE FISCAL YEAR ENDED 28 FEBRUARY 2017

- Net revenues at € 1,660.5 million, +6.6% compared to € 1,557.2 million in the previous year
- Adjusted EBITDA of € 65.4 million, +10.5% compared to € 59.1 million in the previous year
- Adjusted net income of € 36.3 million, +41.3% compared to € 25.7 million in the previous year; Adjusted EPS of € 1.816
- Net Financial Debt basically set to zero
- Proposed dividend of € 1 per share, representing a 9.1% yield on the IPO price

Forlì, 10 May 2017 – The Board of Directors of Unieuro S.p.A. (MTA: UNIR), the largest omnichannel distributor of consumer electronics and household appliances by number of outlets in Italy, met today to examine and approve the Draft Financial Statements for the year ending 28 February 2017, which will be submitted for approval to the Shareholders' General Meeting to be held on 20 June 2017.

Giancarlo Nicosanti Monterastelli, Chief Executive Officer of **Unieuro**, stated: *“In the year just ended, the Company reported excellent results, growing faster than the target market, both in the online and in the offline channel. For the first time, revenues exceeded € 1.6 billion. We improved margins and cash generation, substantially resetting to zero net borrowings and funding considerable investments in the store network and digital platform with our own resources.”*

“Just a few weeks after our debut on the Stock Exchange, which crowned ten years of growth and success, we confirmed and reiterated our winning strategy, which focuses on customers, their needs and ever-evolving buying habits. The omnichannel strategy is now a matter of fact and Unieuro, boasting the most extensive sales network in Italy perfectly integrated with a rapidly expanding online channel, is best positioned to seize all its benefits.”

“In light of the still high fragmentation of the sector in which we operate – continued Nicosanti Monterastelli – “the recently announced acquisitions of Monclick and Andreoli stores clearly show that Unieuro represents the only multichannel consolidator in the industry, able to take advantage of a complex market with great potential.”



Net revenues at 28 February 2017

In the year ended 28 February 2017, **Unieuro** achieved net revenues of € 1,660.5 million, up by 6.6% compared to € 1,557.2 billion in the same period last year, an increase of € 103.3 million mainly generated by higher sales volumes in all distribution channels, and especially in the online segment due to the omnichannel strategy.

The like-for-like growth – i.e., the performance of stores opened for at least 26 months as at the end of the fiscal year, including both retail and Click & Collect sales – stood at 3.3%, also thanks to the success of the omnichannel strategy, the continuous optimization of business processes, such as supply and delivery, and the strong investment in personnel training to increase customer satisfaction and loyalty.

Revenues per sales channel at 28 February 2017

<i>(in Euro million and in percentage of revenues)</i>	Fiscal year ending				Changes	
	28 February 2017	%	29 February 2016	%	2017 vs 2016	%
<i>Retail</i>	1,202.5	72.4%	1,178.7	75.7%	23.8	2.0%
<i>Wholesale Store</i>	227.9	13.7%	206.4	13.3%	21.5	10.4%
<i>B2B</i>	102.7	6.2%	82.9	5.3%	19.7	23.8%
<i>Online</i>	111.3	6.7%	79.0	5.1%	32.2	40.8%
<i>Travel</i>	16.2	1.0%	10.2	0.7%	6.0	58.6%
Total	1,660.5	100.0%	1,557.2	100.0%	103.3	6.6%

The **Retail channel** (72.4% of total revenues) – which is made up of 171 direct stores located in areas deemed commercially strategic and characterized by different sizes in terms of surface area – recorded a 2.0% increase in sales amounting to € 1,202.5 million thanks to new openings in the period and the extensive plan to optimize the portfolio of stores, which led to the renovation of 17 retail outlets, in addition to the relocation of 4 retail outlets.

The **Wholesale channel** (13.7% of total sales) – made up of 280 Affiliated retail outlets, characterized by small sizes and located in areas with a limited catchment zone – recorded revenues of € 227.9 million, with a significant increase of 10.4%, i.e. approximately € 21.5 million, thanks mainly to the positive development of the sales of affiliated entrepreneurs who are benefiting from the implementation of Unieuro's commercial policies to their network, the fully operational sales of warranty extensions to the indirect channel, as well as a significant layout restructuring and upgrading plan for the 25 affiliated outlets, in order to make them more responsive to consumer needs.

The **Business-to-Business channel** (6.2% of total revenues) – which caters to business customers, including foreign entities, operating in sectors other than those of Unieuro, as well as operators who need to buy electronic products to be distributed to their regular customers or employees at the time of point collections, prize contests, or incentive plans



– recorded a strong increase in revenues, which stood at € 102.7 million (+23.8% over the previous year) thanks to the Company’s ability to exploit the market opportunities offered by a highly variable industry.

The **Online channel** (6.7% of total revenues) generated € 111.3 million (+40.8% compared to the previous year), with a strong growth of more than € 32 million over the previous year, benefiting from the increased share of online sales with respect to overall revenues and from Unieuro’s omnichannel strategy, leveraging the pickup points at its 381 outlets.

In particular, the reshaping of the communication strategy, combined with the complete restyling of the website according to a mobile-first approach and the launch of the new App, allowed the Company to optimize its sales performance, which – net of “Services”, “B2B” and “Other products” – recorded a growth rate almost double that of the target market. The goal of this strategy is to offer an increasingly customized shopping experience based on the analysis of the customers’ behavior and preferences (CRM), aiming to overcome the spatial limitations of the individual physical outlets focusing on the needs of the individual customer.

In view of a further and decisive development of this channel, in February the Company signed an agreement to acquire the full ownership of Monclick, one of the leading online operators in Italy in the consumer electronics market and B2B2C.

Finally, the **Travel channel** (1.0% of total revenues) – made up of 9 direct stores located at some of the main public transport hubs, such as airports and railway stations – recorded a growth of 58.6%, standing at € 16.2 million in revenues, on one side benefiting from the new store opening in the Torino Porta Nuova railway station and, on the other, from the return to full operation of the Fiumicino Airport stores, which had been affected by a fire that damaged one of the Terminals in the previous fiscal year.

Revenues by product category

<i>(in Euro million and in percentage of revenues)</i>	Fiscal year ending				Changes	
	28-Feb-17	%	29-Feb-16	%	2017 vs 2016	%
Grey goods	798.8	48.1%	732.8	47.1%	66.0	9.0%
White goods	421.9	25.4%	404.7	26.0%	17.2	4.3%
Brown goods	301.4	18.1%	293.0	18.8%	8.4	2.9%
Other products	79.9	4.8%	72.1	4.6%	7.8	10.8%
Services	58.6	3.5%	54.7	3.5%	3.9	7.1%
Total revenues by category	1660.5	100%	1557.2	100%	103.3	6.6%



In the year ending 28 February 2017, **Unieuro** recorded an increase in sales in all product categories, with higher growth for **Grey goods** (48.1% of total revenues) – i.e. photo cameras, video cameras, smartphones, tablets, computers and laptops, monitors, printers, telephony accessories and all wearable technology products – which generated revenues of € 798.8 million, up by 9.0%, driven by the good performance of the B2B channel and, more generally, by the good performance of the mobile telephony market.

The category of **White goods** – representing 25.4% of sales and composed of major domestic appliances (MDA) such as washing machines, dryers, refrigerators or freezers and stoves, small domestic appliances (SDA) such as microwave ovens, vacuum cleaners, kettles, coffee machines, as well as the air conditioning segment – generated revenues of € 421.9 million, up by 4.3%. With regard to the consumer segment, thus not including sales in the B2B channel, this category was characterized by a growth of 4.7%, stronger than the market growth, which was around 1%.

The category of **Brown goods** (18.1% of total revenues) – which includes television sets and related accessories, smart-TV devices and car accessories (referred to as *consumer electronics*), as well as storage systems such as CDs / DVDs or USB flash drives (referred to as *media storage*) – achieved revenues of € 301.4 million in the year just ended. This business sector was affected by the absence of significant product innovations. In this context, however, Unieuro proved to be able to grow by 2.9%, a testimony to the appropriateness of the strategy being implemented.

Finally, the category of **Other products** performed well (4.8% of total revenues). This includes sales in the entertainment sector and other products not included in the consumer electronics market such as, for example, bicycles or household ware, which generated revenues of around € 80 million (+10.8%), and the category of **Services** (3.5% of total revenues), which witnessed a growth of 7.1% standing at € 58.6 million, thanks to the Company's continued focus on the provision of services to its customers.

Adjusted EBITDA

(in Euro million and in percentage of revenues)	Fiscal Year ended				Change	
	28-Feb-17		29-Feb-16		2017 vs 2016	
		%		%		%
Gross operating result	38,1	2,3%	42,8	2,7%	(4,7)	(10,9)%
Non-recurring charges/(income)	17,6	1,1%	5,3	0,3%	12,2	229,0%
Revenues for warranty extension services net of estimated future costs for support services- change in business model for direct support services	9,7	0,6%	11,1	0,7%	(1,3)	(12,0)%
Adjusted EBITDA	65,4	3,9%	59,1	3,8%	6,2	10,5%



During the fiscal year that ended at 28 February 2017, the **adjusted EBITDA** of Unieuro stood at € 65.4 million, with a margin on sales of 3.9%, an increase of € 6.2 million (+10.5%) compared to € 59.1 million in the previous year and 14 basis points in terms of margins on sales.

This increase was mainly due to the positive performance of revenues during the year and a strict control of operating costs by Unieuro.

Adjusted Net Income

Adjusted Net Income of Unieuro at 28 February 2017 was € 36.3 million, a sharp increase (+41.3%) compared to € 25.7 million in 2016, with an impact of 2.2% on revenues (1.7% in fiscal year 2016) thanks to the good performance of the operating margin, lower financial charges and a reduction in the tax burden for the period.

Adjusted Earnings Per Share amounted to € 1.816.

Investments

During the year, Unieuro made net investments amounting to € 27.9 million, essentially in line with the previous year (€ 27.5 million).

These investments are mainly attributable to the opening, restructuring, downsizing, modernization and improved efficiency of the network of direct stores, which was allocated € 21.6 million under a program that also included the renovation of 17 outlets and relocation of 4 outlets.

Net Financial Debt

As at 28 February 2017, Unieuro's Net Financial Debt stood at € 2.0 million, a sharp improvement compared to € 25.9 million at 29 February 2016, benefiting from the strong cash flow that allowed the Company to repay the shareholder loan of € 21.1 million (November 2016), significant investments made during the period, and payment of a dividend of € 3.9 million.

Employees

The number of Unieuro employees at 28 February 2017 was 3,902.



Significant Events and Transactions in the Period

New digital platform

In October 2016, with the aim of creating a more user-friendly surfing experience, Unieuro launched its new e-commerce platform unieuro.it completely revamped in its graphics, search engine, payment process and contents. These innovations go in the direction of strengthening the multichannel positioning of Unieuro, thanks to the expansion of its network of product pickup points (available at over 380 Unieuro stores), where customers are consistently at the center of a unique experience at all touch points.

Release of New App

In December 2016, the new App for mobile devices was also released. Provided with a simple and intuitive search engine and a new navigation menu, it allows users to easily find a product, effortlessly move through the categories and subcategories, and interact by using a simplified navigation menu.

Born with a well-defined positioning compared to the mobile version of the website, the Unieuro App takes advantage of the features of the Mobile world and allows users to save searches, create wishlists and customize their homepage. It also offers the option of choosing different payment methods for purchases as well as opting for a store pickup service once the order has been made.

Finally, inside the stores, the App helps customers in their purchasing choices thanks to a scan code that provides product features and reviews.

Acquisition of Monclick

On 24 February 2017, Unieuro signed an agreement with Project Shop Land S.p.A. for the acquisition of a 100% stake in **Monclick**, a leading online operator in Italy, operating in the consumer electronics market and B2B2C online market. The acquisition has a strong strategic value for Unieuro as it will allow it to significantly increase revenues in the online segment by strengthening its positioning in the domestic market. The closing of the transaction is expected by the first half of 2017.

Events after the End of the Fiscal Year

Debut on the Stock Exchange

On 4 April 2017, Unieuro's shares debuted with the ticker symbol UNIR in the STAR segment of the Electronic Stock Market organized and managed by Borsa Italiana S.p.A. following a placement addressed to Italian and foreign institutional investors. As part of the operation and taking into account the *greenshoe* option, 6,901,573 shares offered for sale by Italian Electronics Holding S.r.l. were assigned.



At the allocation price of € 11.00 per share, the total proceeds from the transaction, taking into account the exercise of the *greenshoe* option, was € 75.9 million, representing a market capitalization of the Company amounting to € 220 million.

Acquisition of 21 Stores from Andreoli S.p.A.

On 18 April 2017, Unieuro announced the acquisition of a business unit from Andreoli S.p.A., under a voluntary arrangement with creditors, consisting of 21 direct stores predominantly located in shopping malls and between 1,200 and 1,500 s.q.m. in size.

The acquired chain, which operated under the Euronics brand in southern Lazio, Abruzzo and Molise, achieved retail sales of around € 94 million in 2015 with a positive margin, employing more than 300 workers.

Unieuro will be acquiring stores without warehouses submitting them to an intense revitalization plan, which will – from the first few weeks – include the adoption of the Unieuro brand, space reallocation, new product assortment and adoption of new information systems, thereby aiming to achieve the revenue targets (over € 100 million when fully operational) and profitability targets over the next 18-24 months.

Proposal for the Allocation of Profit

As already announced during the listing process, the Board of Directors of Unieuro decided to submit to the Shareholders' General Meeting to be held on 20 June 2017 the distribution of a dividend of € 1 per share, totaling € 20 million, of which € 11.6 million drawing from profits for the year 2017 and € 8.4 million by using the available reserves; the dividend, which represents a 55% payout rate on Adjusted Net Income, will be paid out on 27 September 2017 (ex-dividend date 25 September 2017, in accordance with the calendar of the Italian Stock Exchange, and record date on 26 September 2017).

Shareholders may collect the dividend before or after withholding taxes, according to the tax regime applied.

Other Resolutions of the Board of Directors

The Board of Directors meeting today also resolved to confer on the Chief Executive Officer the power to negotiate the granting of a new credit line of € 50 million to be used for the acquisition / opening of new outlets.

Conference Call

Please note that today, Wednesday May 10, at 16.30 (CET), a conference call will be held during which Unieuro's management will be presenting to investors and financial analysts the results for fiscal year 2017, which ended 28 February 2017.



To participate, simply dial one of the following numbers:

Italy: +39 02 805 88 11

UK: + 44 121 281 8003

USA: +1 718 7058794

Journalists can listen to the conference call by dialing the number:

+39 02 8058827

Until 16 May 2017, a telephone recording of the conference call will be available at the following numbers:

Italy: +39 02 72495

UK: + 44 1 212 818 005

USA: +1 718 705 8797

Access code: 963#

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For the transmission, storage and filing of the Regulatory Information to be made public, Unieuro S.p.A. chose to use 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, Chief Financial Officer, 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 S.p.A. – with a widespread network of 460 outlets throughout the country, including direct stores (180) and affiliated stores (280), and its digital platform unieuro.it – is now the largest omnichannel distributor of consumer electronics and household appliances by number of outlets in Italy. Unieuro is headquartered in Forlì and has a logistics hub in Piacenza. It has more than 3,900 employees and revenues that exceeded € 1.6 billion for the year ending 28 February 2017.



For information:

Investor Relations

Italo Valenti

CFO & Investor Relations Officer
+39 0543 776769
investor.relations@unieuro.com

Andrea Moretti

Investor Relations Manager
+39 335 5301205
+39 0543 776769
amoretti@unieuro.com

Media Relations

iCorporate

Arturo Salerni
+39 335 1222631
Rita Arcuri
+39 333 2608159
unieuro@icorporate.it



Summary Tables:

Income Statement

	FY17	%	FY16	%
Sales	1,660.5		1,557.2	
Sales	1,660.5		1,557.2	
Purchase of goods	(1,295.4)	(78.0%)	(1,239.0)	(79.6%)
Change in Inventory	5.2	0.3%	41.1	2.6%
Rental Costs	(58.3)	(3.5%)	(59.0)	(3.8%)
Marketing costs	(51.6)	(3.1%)	(48.7)	(3.1%)
Logistic costs	(32.5)	(2.0%)	(30.2)	(1.9%)
Other costs	(54.2)	(3.3%)	(50.4)	(3.2%)
Personnel costs	(136.6)	(8.2%)	(134.0)	(8.6%)
Other operating costs and income	1.0	0.1%	5.8	0.4%
EBITDA	38.1	2.3%	42.8	2.6%
<i>Adjustments</i>	17.6	1.1%	5.3	0.3%
<i>Change in Business Model</i>	9.7	0.6%	11.1	0.7%
Adjusted EBITDA	65.4	3.9%	59.1	3.8%
D&A	(18.0)	(1.1%)	(18.7)	(1.2%)
Financial Income	0.4	0.0%	0.3	0.0%
Financial Expenses	(6.2)	(0.4%)	(7.2)	(0.5%)
Taxes	(2.7)	(0.2%)	(6.5)	(0.4%)
<i>Fiscal impact of non-recurring items</i>	(2.6)	(0.2%)	(1.3)	(0.1%)
Adjusted Net Income	36.3	2.2%	25.7	1.5%
<i>Adjustments</i>	(17.6)	(1.1%)	(5.3)	(0.3%)
<i>Change in Business Model</i>	(9.7)	(0.6%)	(11.1)	(0.7%)
<i>Fiscal impact of non-recurring items</i>	2.6	0.2%	1.3	0.1%
Net Income	11.6	0.7%	10.6	0.6%



Balance Sheet

	FY17	FY16
Trade Receivables	35.2	35.4
Inventory	269.6	264.4
Trade Payables	(334.5)	(333.4)
Operating Working Capital	(29.8)	(33.6)
Current Tax Assets	8.0	8.1
Current Assets	13.9	13.9
Current Liabilities	(140.3)	(113.2)
Short Term Provisions	(1.4)	(2.6)
Net Working Capital	(149.7)	(127.4)
Tangible and Intangible Assets	72.6	62.7
Net Deferred Tax Assets and Liabilities	29.1	28.6
Goodwill	151.4	151.4
Other Long Term Assets (Deposits)	2.1	2.0
Long Term Provisions including DBO	(18.6)	(18.0)
Other Long Term Assets and Liabilities	(16.5)	(16.0)
Total Invested Capital	86.9	99.4
Net financial Debt	(2.0)	(25.9)
Equity	(85.0)	(73.4)
Total Sources	(86.9)	(99.4)



Cash Flow Statement

	FY17	FY16
EBITDA Reported	38.1	42.8
Taxes Paid	-	(4.2)
Interests Paid	(4.9)	(4.8)
Change in NWC	22.3	17.4
Change in Other Assets and Liabilities	1.1	3.5
Operating Cash Flow Reported	56.5	54.7
Capex	(27.9)	(27.5)
Levered Free Cash Flow	28.6	27.2
Adjustments	11.0	6.1
Adjusted Levered Free Cash Flow	39.7	33.3
Adjustments	(11.0)	(6.1)
Dividends	(3.9)	-
Other changes	(0.8)	(1.2)
Δ Net Financial Position	24.0	26.0