

Unieuro S.p.A.

Investor Presentation

May 2017



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Italo Valenti, the manager in charge of preparing the corporate accounting documents, declares that, pursuant to art.154-bis, paragraph 2, of the Legislative Decree no. 58 of February 24, 1998, the accounting information contained herein correspond to document results, books and accounting records.

Summary

- **Highlights**
- **Overview of Unieuro**
- **Strategic Goals**
- **Market Scenario**
- **Financials**
- **Closing Remarks**

Highlights

- Strong sales growth, leading to double digit Adj. EBITDA growth
- Record Adj. Net income, up by 41%
- Net debt basically zeroed

- Outperformance of total revenues in the consumer segment: +5,5% vs +2.1%

- Boom of online sales driven by the new digital strategy:
- Impressive recovery of market share in the online White segment (+79%) thanks to new product mix, new communication strategy, new UX and new App

- Strengthening of both internal and external growth strategies:
- Development and streamlining of the retail network: 22 new openings, 42 refurbishments, 4 relocations, online enhancement
- Acquisition of Monclick and Andreoli stores

- Development of a new CRM in support of Customer Insight and store digitalization, through WiFi and Facebook projects for each store

- Successful listing on the Milan Stock Exchange, STAR segment

- Adjusted EPS amounting to 1.816 Euro
- Proposed dividend of 1 Euro per share, corresponding to a 9.1% yield on the IPO price

IPO overview and aftermarket

Offering details

- First day of trading. 4 April 2017
- Listing venue: Italian Stock Exchange (STAR Segment)
- Offer size: 6.9m shares / €76m
- 100% secondary offering
- Free float: 35%
- IPO price: €11.00 per share
- Market capitalisation @IPO: €220m

Lock-up arrangements

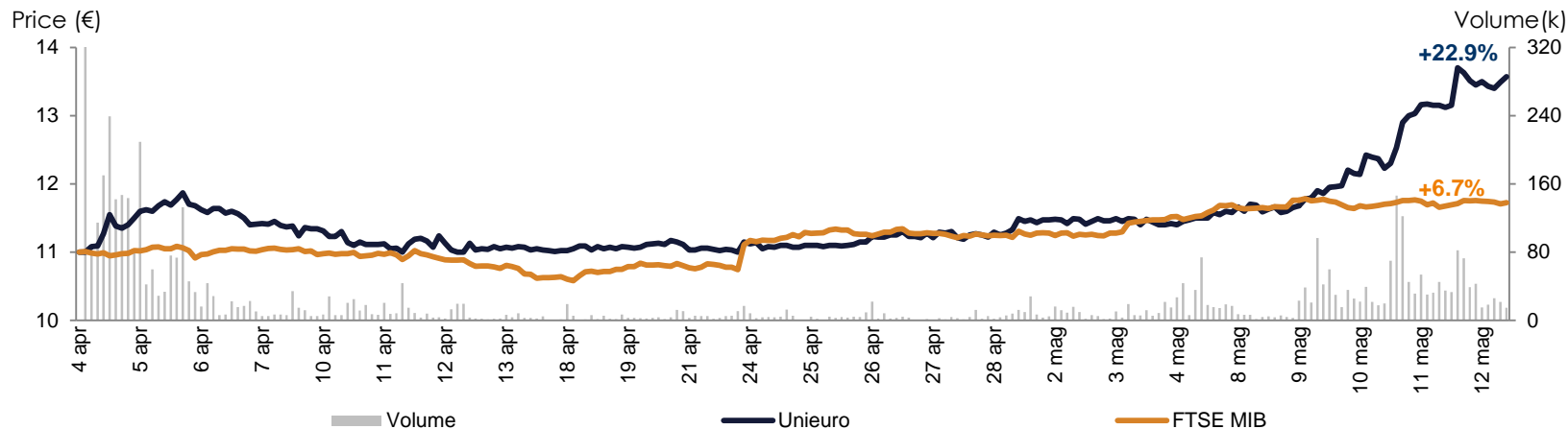
- Company: 365 days
- Selling shareholder: 180 days

Dividend policy

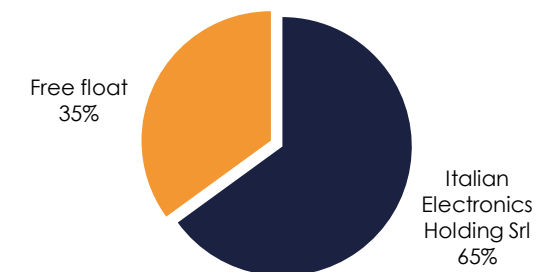
- For the FY ending 28 February 2017: €20m (€1 per share), payable in September 2017
- For the subsequent financial years: not less than 50% of the Adjusted Net Income
 - Interim dividend (c.1/3) payable in March
 - Final dividend (c. 2/3) payable in September
- Implied dividend yield @IPO: 9.1%
- Implied dividend yield @current price: 7.4%

- *The first IPO in Italy in 2017 on MTA – STAR segment*
- *During the IPO, Unieuro received requests from high standing investors, both domestic and international ones*
 - *37% of demand from Italian Investors*
 - *63% of demand from international investors (US, UK and Continental Europe)*

Share Price Performance since IPO



Current shareholding structure



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Unieuro at a glance

Established by the end of 1930s, Unieuro is Italy's leading⁽¹⁾ omni-channel consumer electronics retailer with sales of about €1.7bn

Omni-channel presence maximises proximity to consumer

Retail (DOS) (72%)	<ul style="list-style-type: none"> Nationwide coverage with network of 171 DOS in strategic locations
Travel Retail (DOS) (1%)	<ul style="list-style-type: none"> 9 stores located in main Italian airports and train stations
Wholesale (14%)	<ul style="list-style-type: none"> 280 wholesale partners operating <u>exclusively</u> under Unieuro banner Further extended coverage in smaller catchment areas Wholesale supply to supermarkets and other retailers
Online (7%)	<ul style="list-style-type: none"> In-store collection and home delivery options Distinctive online platform among electronics retailers in Italy Monclick acquisition will double online business, when finalized⁽²⁾
B2B (6%)	<ul style="list-style-type: none"> Supply of bulk quantities to non-retail electronics traders and hotels

Broad product range across multiple categories

Grey goods (48%)	<ul style="list-style-type: none"> Mobile, IT, accessories, photography, wearables
White goods (25%)	<ul style="list-style-type: none"> MDA, e.g. washing machines, cooking appliances, dishwashers SDA, e.g. coffee machines, microwaves Home comfort, e.g. air conditioning
Brown goods (18%)	<ul style="list-style-type: none"> TV, media, car accessories
Other (5%)	<ul style="list-style-type: none"> Entertainment (consoles, videogames, music, movies) Non electronic products
Services (4%)	<ul style="list-style-type: none"> Delivery and installation Extended warranties Brokerage for financial services Commissions from subscription to telecom contracts

Full nationwide coverage



Store breakdown by geography

	DOS ⁽³⁾	Wholesale	Total
North	67%	34%	47%
Centre	21%	20%	20%
South	12%	46%	33%
Total	180	280	460

- DOS
- Wholesale
- Travel Retail (DOS)

Italy's leading⁽¹⁾ omni-channel consolidator



1 - Consistent long-term growth...

Unieuro achieved consistent growth despite a period of declining GDP, grasping the opportunity to grow as an M&A consolidator

Sales⁽¹⁾ (€m)



GDP Growth (%)⁽³⁾



DOS



- In February 2017, Unieuro acquired Monclick, leading Italian e-commerce platform, which will add c.€100m of sales⁽⁵⁾
- In April 2017, Unieuro acquired 21 stores in Central Italy from Andreoli S.p.A., operating under the Euronic banner, which will add c.€100m of sales⁽⁵⁾

...comprising M&A consolidation in both offline and online...

Unieuro has driven consolidation in the Italian market...



...and was able to extract value through integration

Sales initiatives

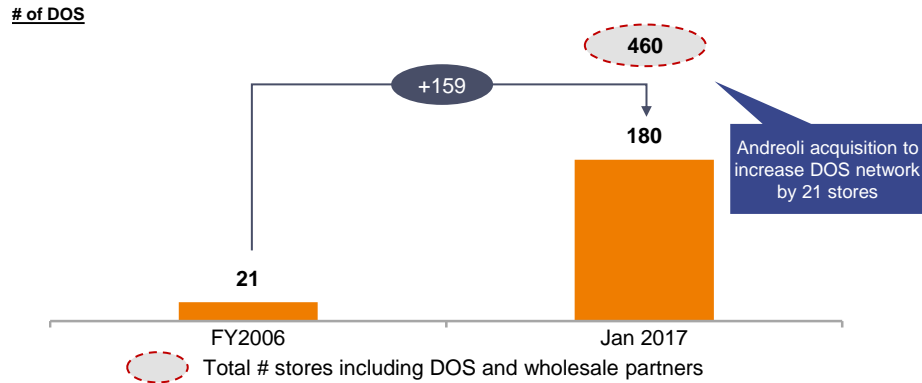
- ✓ New store procedures (e.g. better selling practices through staff training)
- ✓ New commercial policies (e.g. store layout)
- ✓ Enhanced marketing (e.g. digital)
- ✓ Rationalisation of store organisation (e.g. store refurbishment / branding)

Cost improvements

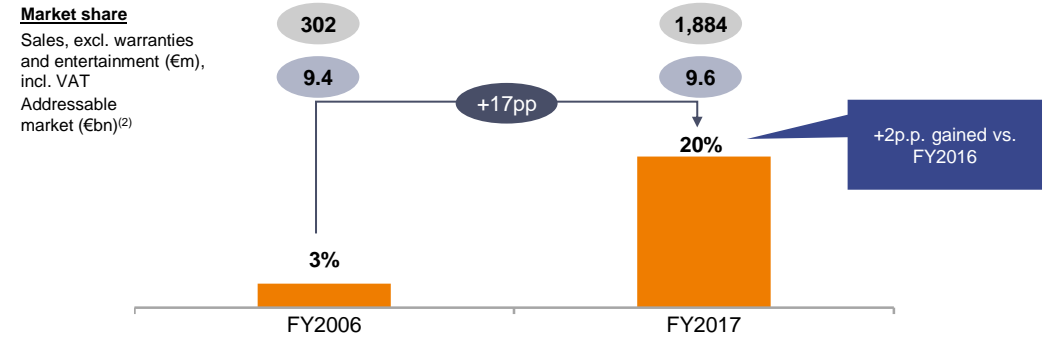
- ✓ Headquarters consolidation
- ✓ Logistics savings following warehouse integration
- ✓ Reduction of overheads
- ✓ Optimisation of personnel (incl. employee relocations)
- ✓ Increased purchasing power vis-à-vis suppliers
- ✓ Renegotiation of rental contracts
- ✓ IT systems migration
- ✓ Website & App consolidation
- ✓ Marketing cost synergies

...to create Italy's leading⁽¹⁾ consumer electronics retailer

Expansion of DOS store network by 9x since 2006 with total stores reaching 460 today...

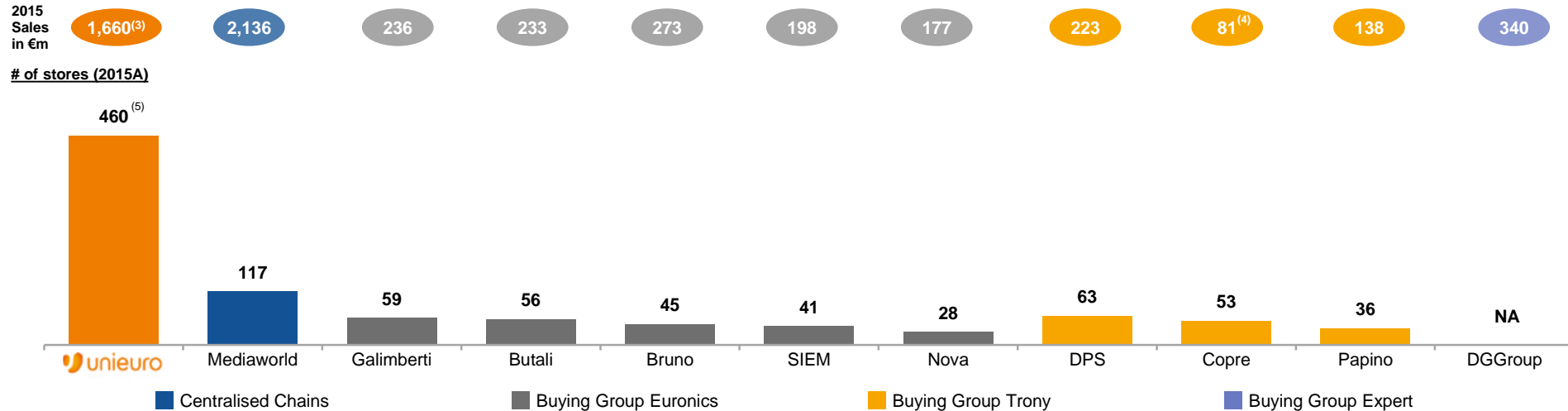


...and large share gains of 17pp at expense of competition...



Source: Company information (Sales), Company elaborations based on market data (addressable market).

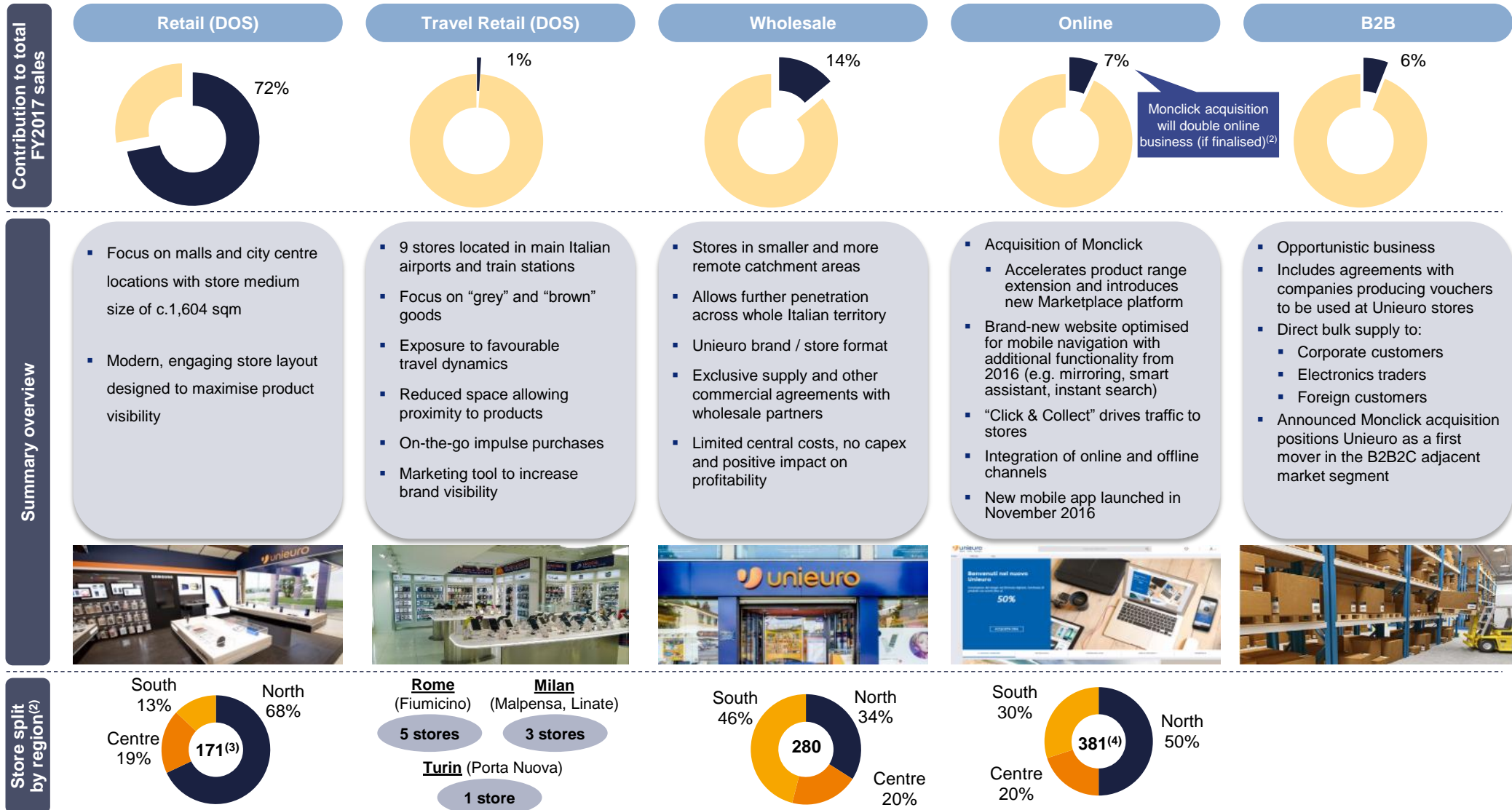
...resulting in the leading⁽¹⁾ company in the Italian CE market



Source: Companies' websites and companies' filings.

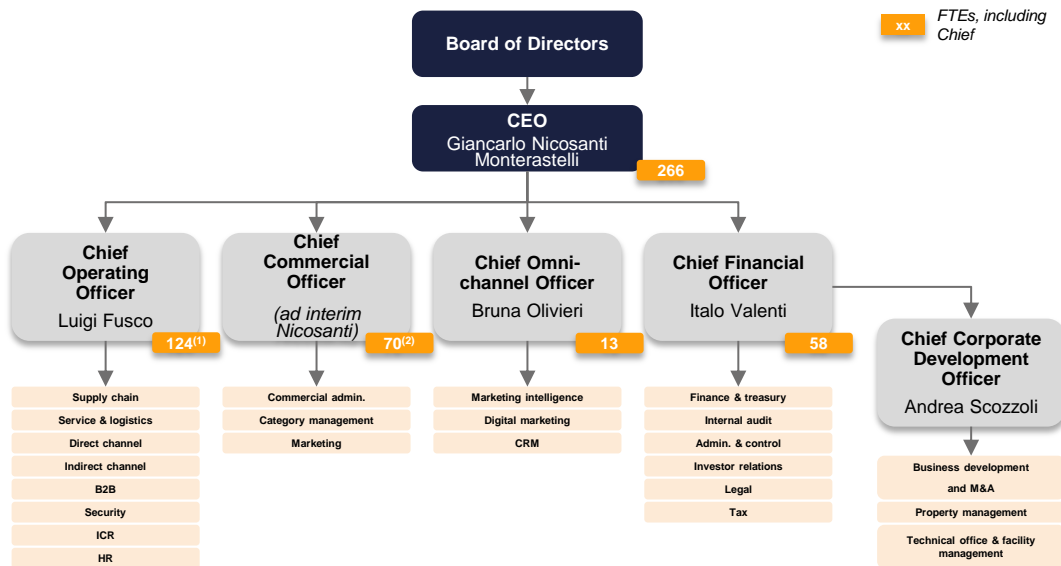
2 - Integrated omnichannel presence across offline and online

Omnichannel presence maximises proximity to customers



3 – Lean and centralised organisational structure, allowing for fast execution and efficient decision making process...

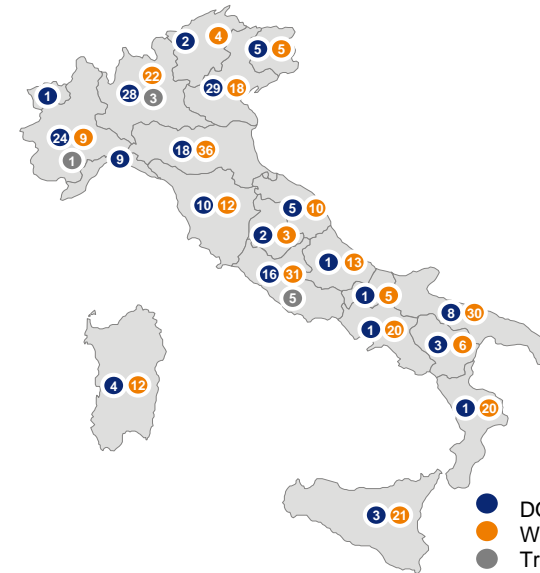
Centralised decision-making...



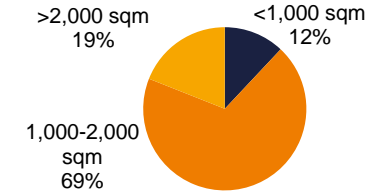
- 5 Key decision makers at central level
 - CEO (and interim Chief Commercial Officer)
 - Chief Operating Officer
 - Chief Omni-channel Officer
 - Chief Financial Officer
 - Chief Corporate Development Officer

266 FTEs

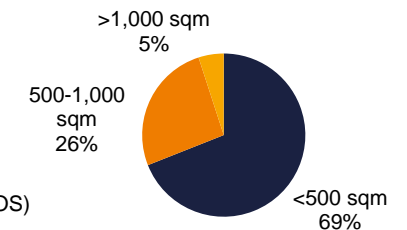
...ensuring a flexible store network



DOS by format⁽³⁾



Wholesale by format

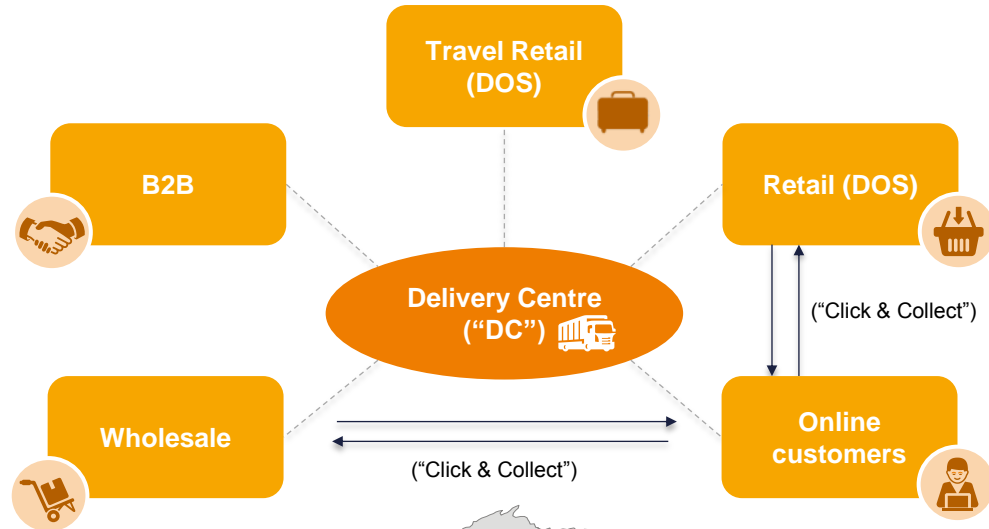


- Highly flexible workforce permits Unieuro to preserve maximum productivity and adjust labour costs
- Wide range of profitable store formats
- Favourable lease terms with short notice break clause (12 or 6 months) permitting rapid response to local market trends
- Ability to rapidly supply store network with important new product launches

3,129 FTEs,
10 Agents⁽⁴⁾

...supported by unique and scalable centralised logistics platform

Unieuro has a unique logistics platform...



- Centralised delivery centre
- Transit points managed by third parties

...providing key advantages

✓ Centralised warehouse located in one of main Italian logistics hubs (Piacenza)

✓ National coverage to all stores and channels (Retail, Wholesale, Online and B2B)

✓ Favourable solution for suppliers – avoids multiple shipments and lowers Unieuro procurement costs

✓ Significant capacity headroom through site expansion

✓ 89% of DOS stores within 600 km from Piacenza

✓ 50,400 sqm of current total surface area. Capacity to double in the near future

4 - Highly effective customer engagement...

Successful re-branding and effective marketing & communication strategy

Successful re-branding

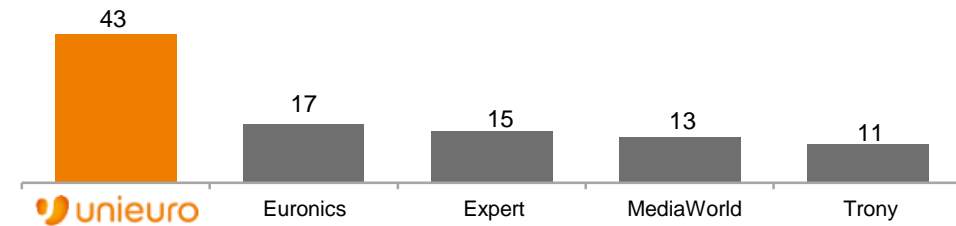


- ✓ Re-branding programme launched post UniEuro acquisition
- ✓ New store layout implemented in June – September 2014
- ✓ New brand campaign launched in October 2014
- ✓ Improved brand recognition

Best-in-class advertising effectiveness



(% of advert recall lift of main CE retailers, 14-20 December 2015)⁽¹⁾

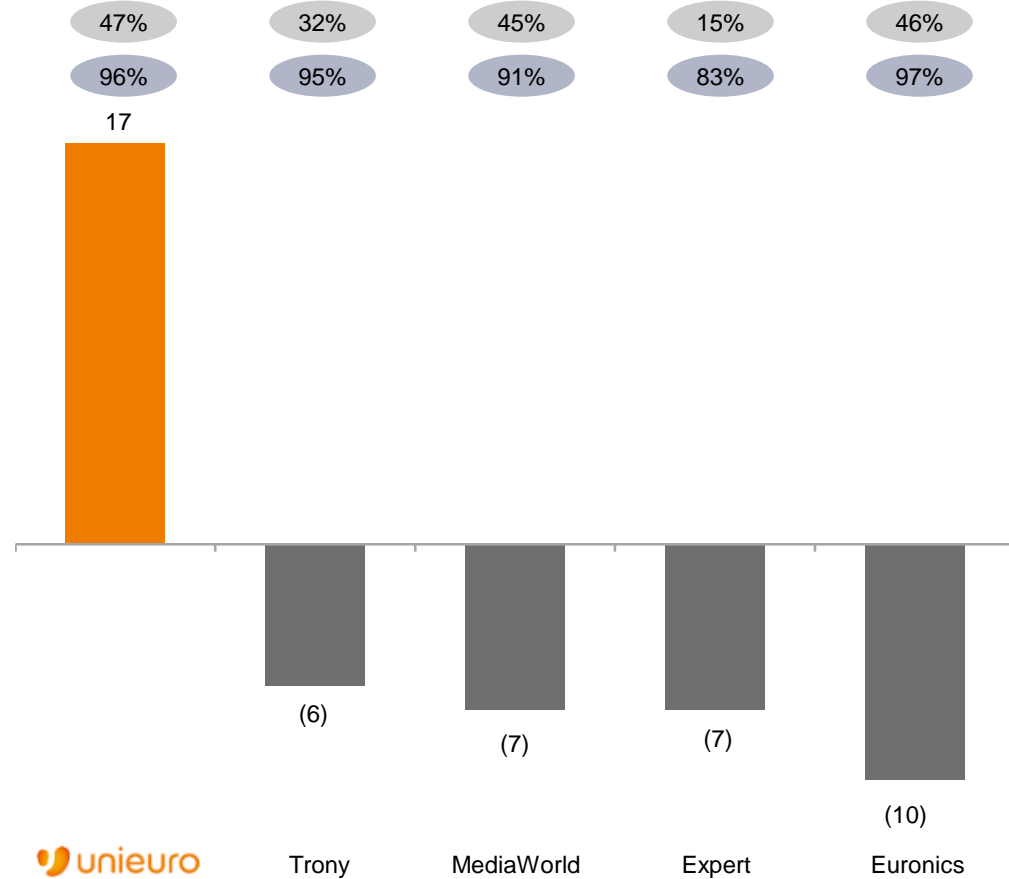


- ✓ 43% of CE advert recalls are related to Unieuro vs. an average of 14% for competitors⁽¹⁾
- ✓ Major marketing effort post UniEuro acquisition
- ✓ Advertising campaigns launched in festive season for maximum brand building effect

...resulting in leading brand recognition

Fastest-growing brand awareness...

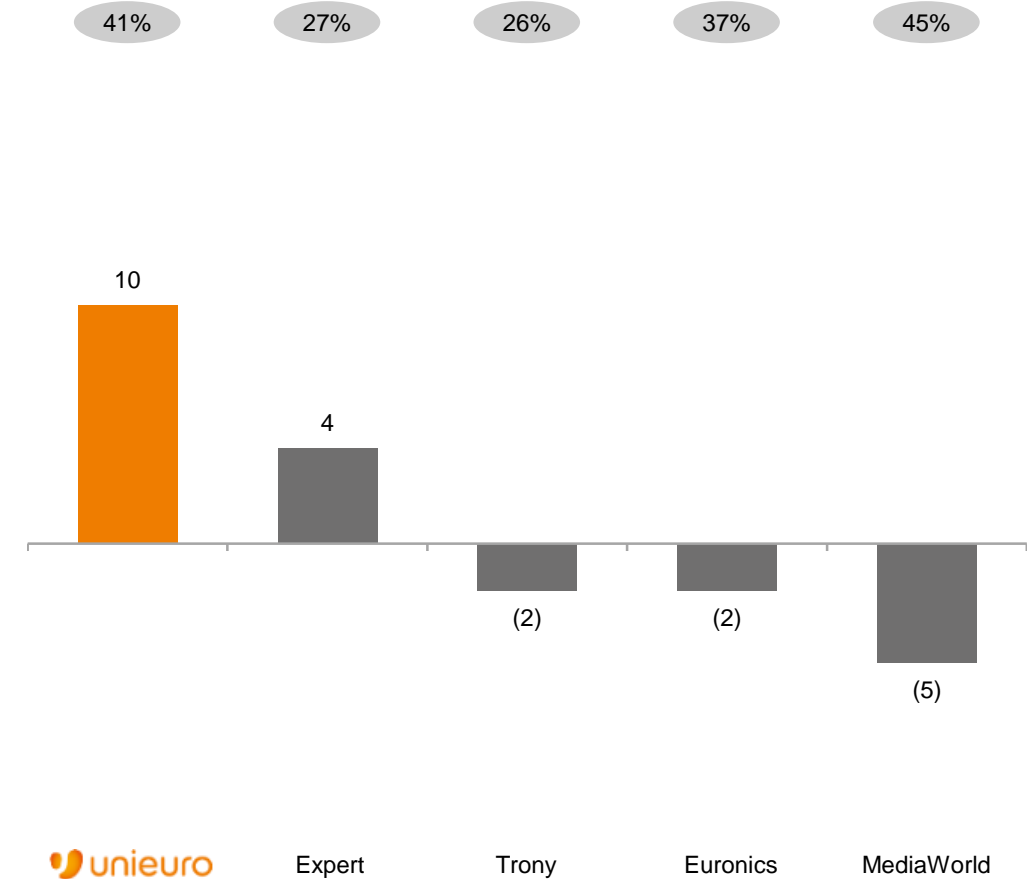
Change in spontaneous brand awareness post campaign (2013-2014 (pp))⁽¹⁾



% 2014 spontaneous brand awareness
 % 2014 total brand awareness

...and intention to buy

Change in intention to buy (2013-2014 (pp))⁽²⁾

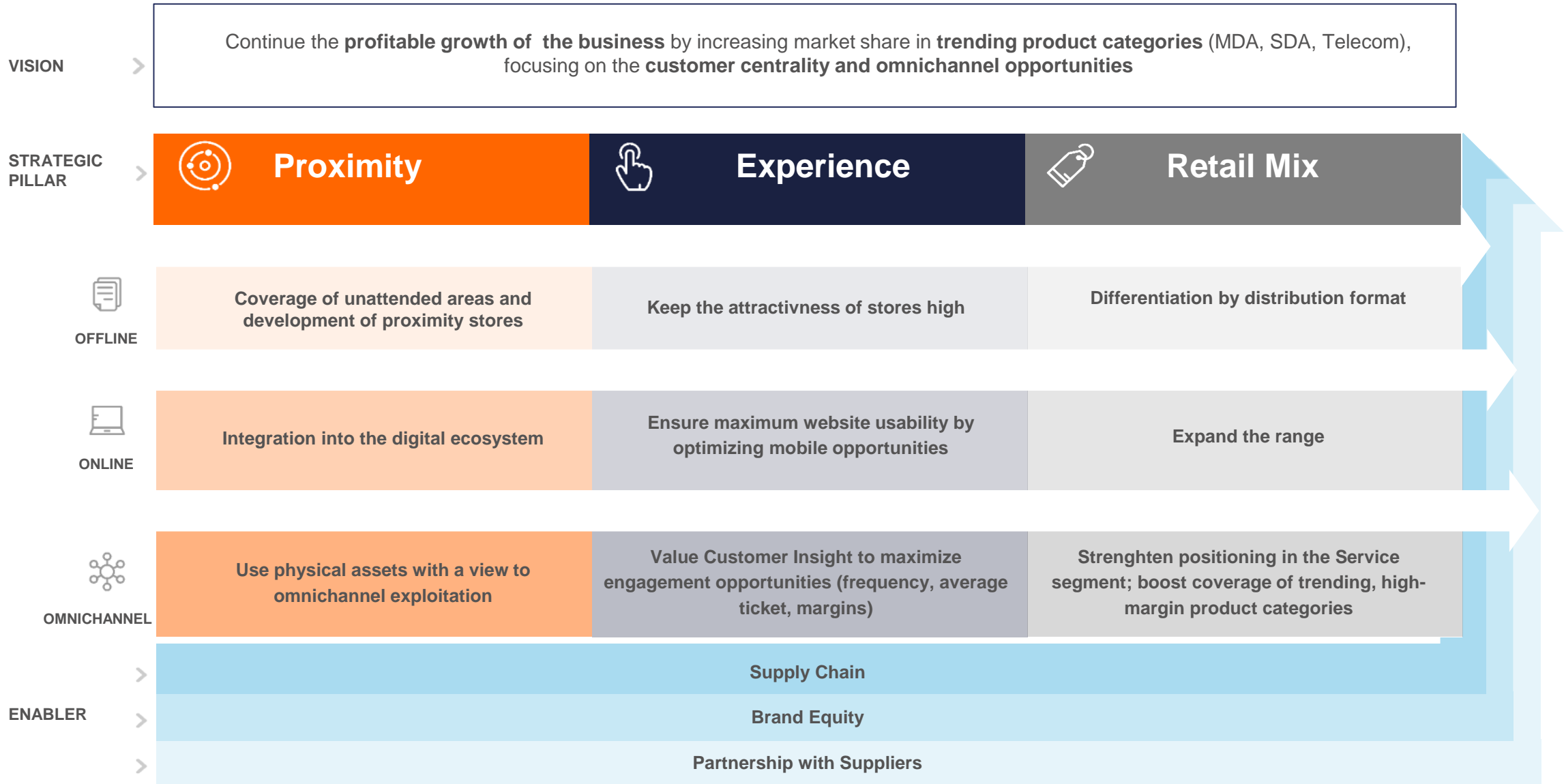


% 2014 intention to buy

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Unieuro's strategic goals



Proximity

Offline

Coverage of unattended areas through new openings (Retail and Wholesale) and through target acquisitions:

- Strengthening of operations across Italy (**460 stores** of which **180 direct**)
- Variety in distribution formats and layouts
- Acquisition of Andreoli to increase coverage in 3 regions (Lazio, Abruzzo, Molise)
- Successful openings at Rome Fiumicino (Retail) and Turin Porta Nuova (Travel), as well as 20 affiliated outlets: for a total of **22 openings** in FY 2017



Online

Integration in the digital ecosystem to strengthen «proximity» to the Internet user by means of any navigation device, by:

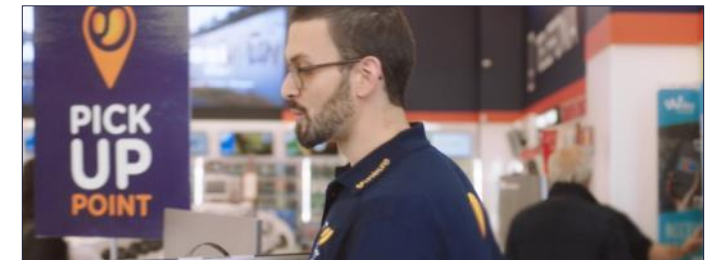
- **Internal growth:**
 - communication strategy change (the Unieuro campaign and Humans of Technology campaign reached **20M** Italians);
 - optimization of performance campaigns aimed at improving the CR of the Website (Drive-to-Store in partnership with Google).
- Redefinition of **social media strategy** with **400k** reactions (~4X vs. competitors)
- **External growth:** acquisition of Monclick



Omnichannel

Leverage the store network by offering the opportunity to collect purchased products online directly from the stores, thereby becoming the largest network in Italy in terms of pick-up points (Click and Collect):

- Transformation of the store network, both direct and wholesale, with a view to pick-up points
- **381 pick-up points** as of Feb. 28, 2017 (+38% YoY)





Experience



Offline

Keep the attractiveness of stores high through structural actions, such as refurbishments, relocations and layouts optimization to ensure the best customer experience:

- **17 DOS refurbishments, 4 DOS relocations** included in a total refurbishment capex of over **12 €m**, as well as **25 affiliate stores refurbishments**
- Free Testing Areas for product comparison
- New role of the Store, with a marked focus on testing activities: leveraging vertical product knowledge of sales staff to advise customers



Online

Ensure maximum Website Usability by optimizing mobile opportunities through total restyling of the website (UX) and launch of new mobile APP:

- Creation of a single shopping experience even in mobility (mobile-first approach)
- Focus on Real Time Marketing.
- Total FY 2017 website visits : **64M**
- Launch of new App: **227K** total downloads since launch (22 November 2016)



Omnichannel

Enhancement of Customer Insight to maximize engagement opportunities (frequency, average ticket, profitability)

- CRM construction leveraging **6.4M** Cardholders and construction of "Golden Record"
- Voice of Customer project (customer feedback loop)
- Store Digitization: WiFi project for proximity marketing activities; Facebook in store to create engagement and drive-to-store at local level





Retail Mix

Offline

Differentiation of the product range by store format to maintain competitiveness:

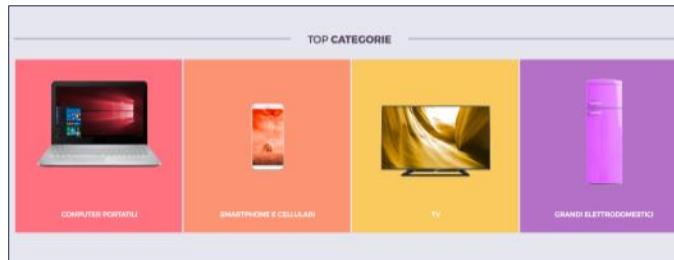
- Offering differentiated by distribution format (DOS: **9 travel, 34 retail parks, 68 shopping malls, 69 free standing**)
- Travel segment: focus on accessories and Unieuro brand visibility (catchment zone in high pedestrian traffic areas of airports and train stations)



Online

Expand the online offering range by overcoming the spatial limitations of the Store

- Extension of online offering (i.e. IT, photos, accessories). Number of products items offered online: **+40%**
- Significant sales increase in all categories, especially White (**+79%**) and Brown (**+35%**)



Omnichannel

Strengthen positioning in the Services segment
Boost coverage of trending, high-margin product categories

- Delivery and installation service
- Unique proposition for warranty extension
- **90%⁽¹⁾** of customers satisfied with the service
- Customer protection plans and consumer credit
- In-store additional services dedicated to smartphones, tablets, PCs, green mobile
- Commissions from telecom contracts subscriptions, consumer credit and pay TV



Enabler

Supply Chain

Centralized and integrated logistics to efficiently serve all channels and geographies.
The single-hub supply chain is central to the development of the Omnichannel strategy, as well as to the relationship with suppliers

- Over **50k sqm**
- Over **77%** of volumes passing through the Piacenza hub
- Over **13k** daily pickings
- **89%** of stores within **600 km** from Piacenza
- Agreement signed to double the Piacenza hub capacity, thus consolidating relations with suppliers and increasing service level in all channels



Brand Equity

Solid brand awareness and positive brand experience that translated into an increase in the intention to buy (+ 1bp)

- Top-of-Mind Brand: **+1bp**
- Total Awareness consolidation
- Consolidation of leadership in total ADV awareness compared to competitors
- **47%** of spontaneous memory reached by the slogan "Batte, Forte, Sempre"



Partnership with Suppliers

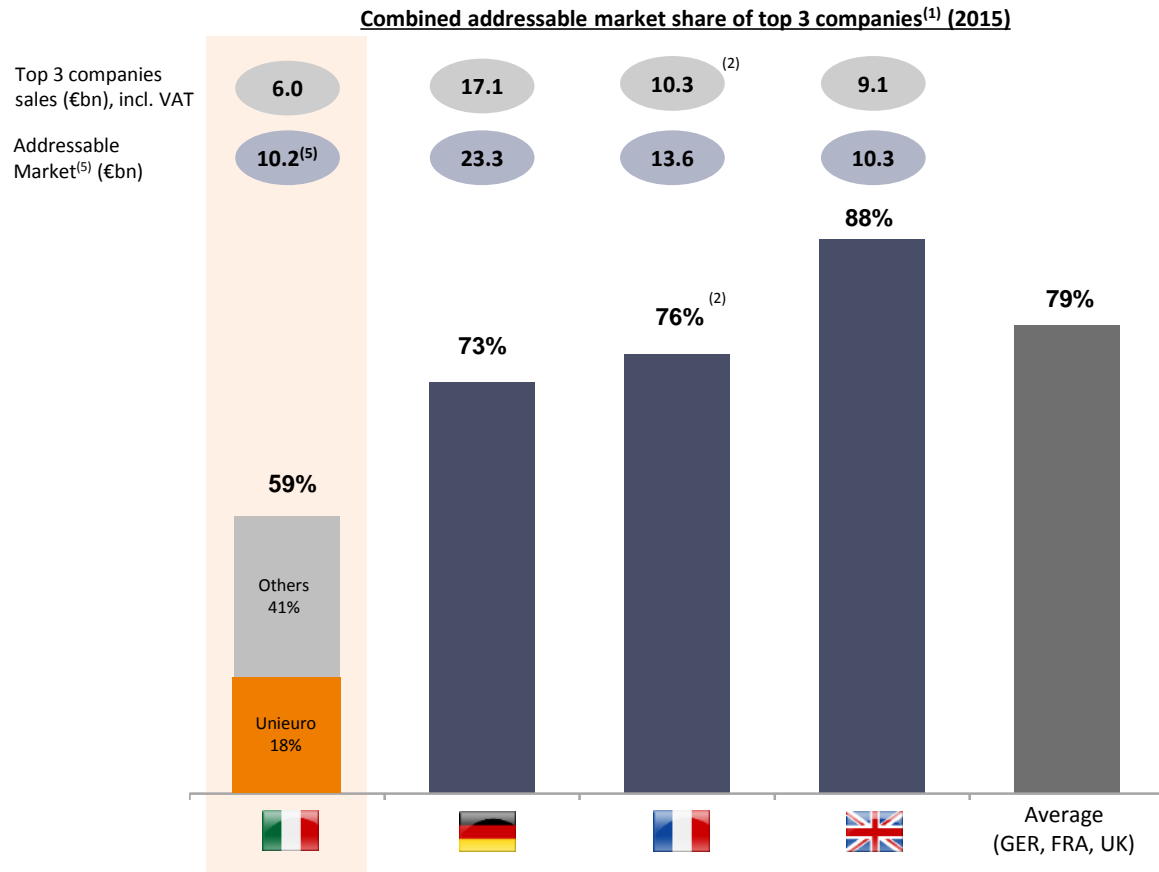
Consolidated partnerships with suppliers, strengthened by new products launch skills and high number of SKUs managed under exclusive rights.
Centralized purchasing and billing process as a competitive advantage

- Exclusive agreement with Vestel Group for the marketing of the **Hitachi brand** in Italy
- Market leader in terms of sales performance of product innovations launched by brands (i.e. LG Oled, Samsung AddWash, Samsung S7)



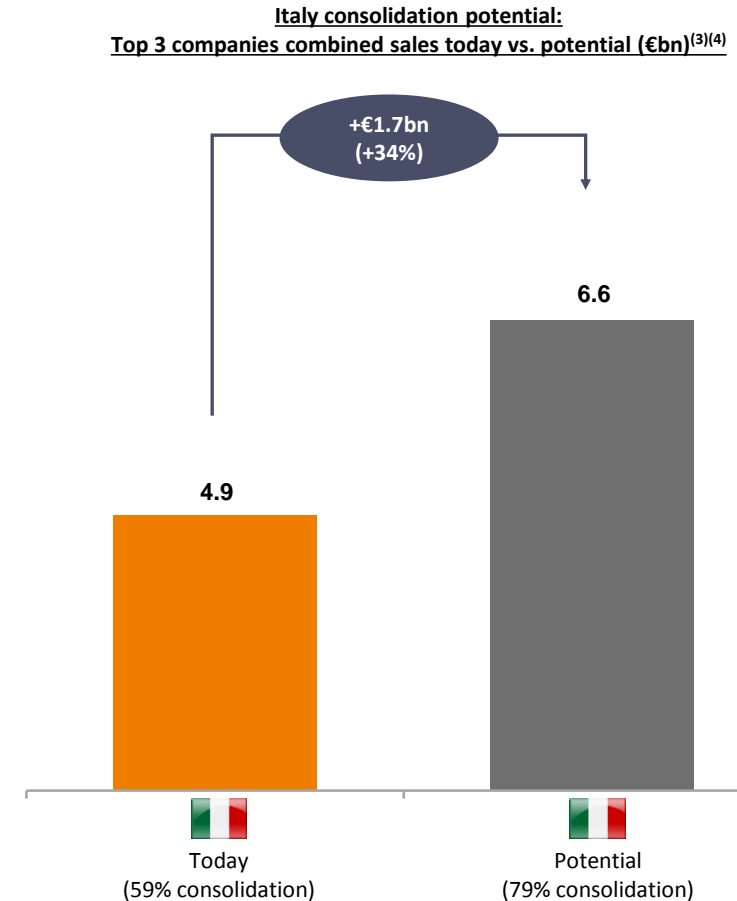
Ambition to create Italy's leading⁽¹⁾ CE retailer...

Italy considerably less consolidated than other Western European markets...



Source: Planet Retail and Company information (Top 3 companies sales), Company elaborations based on market data (addressable market).

...presenting a €1.7bn consolidation opportunity

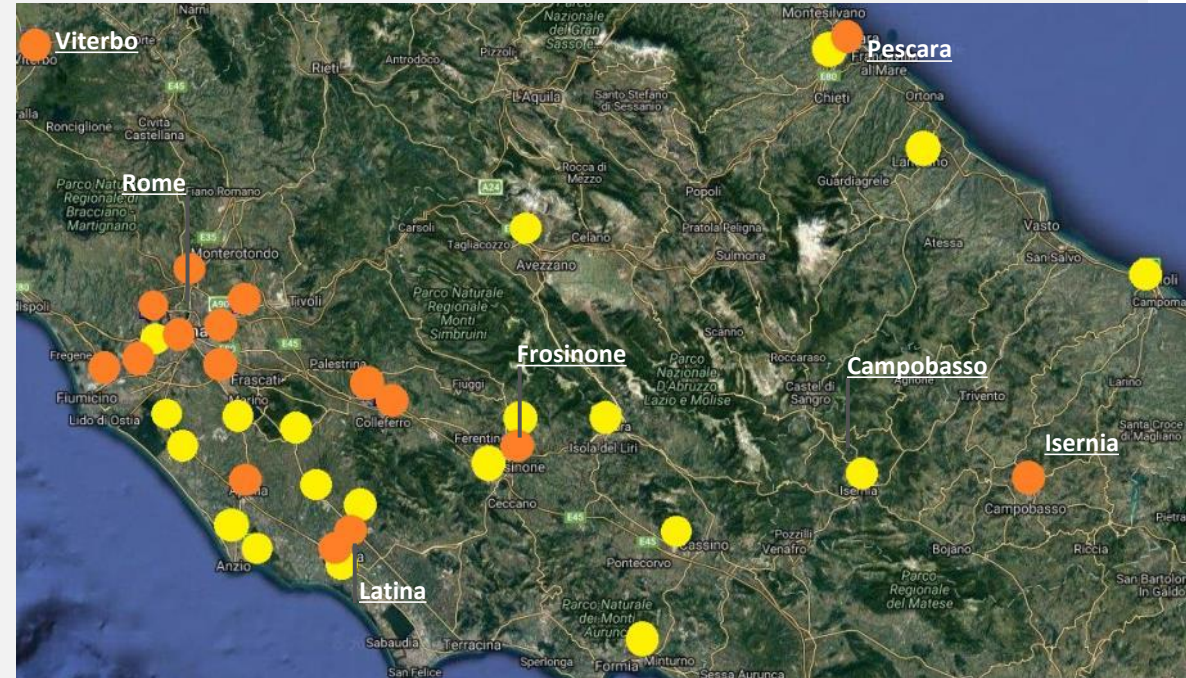


Source: Company information, Planet Retail, Company elaborations based on market data.

...through offline expansion...

2017 offline acquisition pipeline: expansion in Central Italy by the acquisition of 21 stores from Andreoli Sp.A.

- **21 direct stores** in Southern Lazio, Abruzzo and Molise currently operated under the Euronics brand
 - From 1,200 to 1,500 sqm, inside shopping malls
 - FY 2015 sales of approx. €94m, with a positive profitability
 - Over 300 headcounts
- **Total consideration of €12.2m.** Stores acquired without stock
- **Only 3 overlapping areas**, to be managed through retail network optimization actions
- **Recovery plan** to be immediately run up:
 - adoption of the Unieuro banner
 - refurbishment
 - total product restocking
 - Integration into Unieuro's IT system
 - salesforce training
- Target: over **€100m of additional sales** at run-rate within 18-24 months, with a profitability in line with the Company's targets.



- Existing Unieuro DOS
- Newly acquired stores

Strategic Rationale

- Leveraging the existing platform to extract synergies (procurement, logistics, marketing)
- Improving Unieuro's coverage of Central Italy, boosting total market share
- Weakening a competing buying group

...and online external growth

2017 online acquisition pipeline: Monclick S.r.l.

- One of the leading Italian e-commerce platforms specialised in the sale of consumer electronics products
- Two separated business lines:

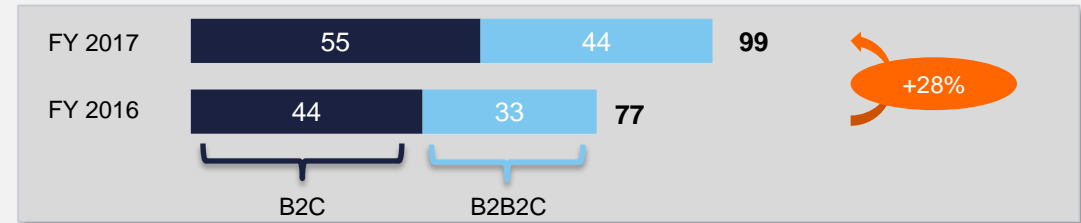


- **“Standard” online B2C consumer electronics business** with customers primarily in Italy (www.monclick.it)
- Broad assortment including Grey, White, and Brown goods, entertainment products and value-added services
- Low price positioning



- **Products sold directly to customers of Monclick’s business partner**, usually large companies with broad customer base (e.g. banks, mobile phone carriers, supermarkets)
- Full ownership of the entire sale process, including design of an ad-hoc website, selection of product assortment (usually limited to a small number of SKUs), delivery, and after-sale services
- the only Italian consumer electronics retailer with a meaningful presence and track-record in this channel
- Closing expected by the **end of June 2017**

FY 2016 sales (€m)



Key integration activities

- Accelerate Unieuro product range extensions, leveraging Monclick’s broader assortment
- Design and implement an integrated sourcing model to exploit Unieuro purchasing power
- Launch of dedicated website for B2B clients to improve user experience
- Scouting of new vendors to develop new partnerships
- Develop a sales force dedicated to B2B segment
- Improve automation of B2B2C digital platforms, with potential benefits on margins
- Redefine French business strategy (divest/ relaunch)

Strategic Rationale

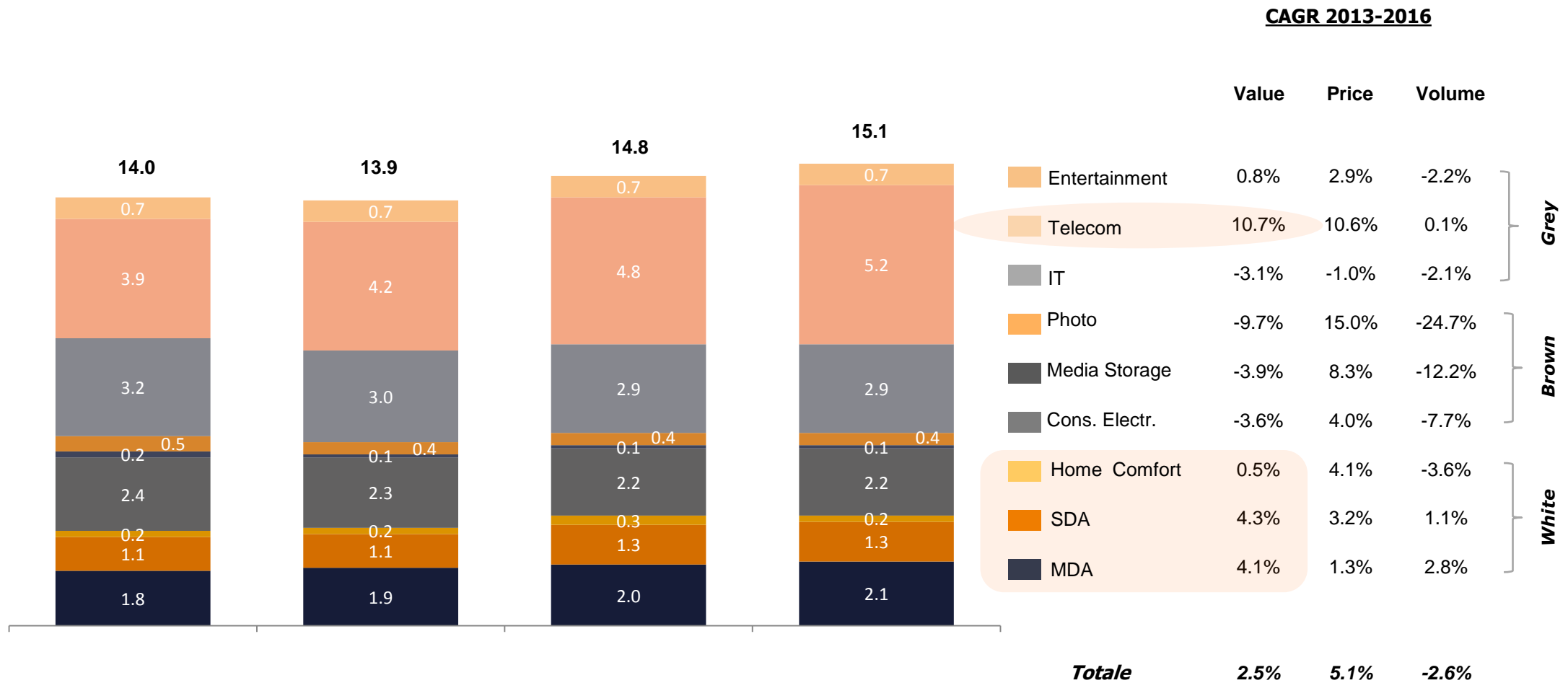
- Leveraging the existing platform to extract synergies (procurement, logistics, IT and G&A)
- Deepening penetration of the online channel, almost doubling online total sales
- Entering the B2B2C segment, totally new for Unieuro
- Leveraging Monclick positioning to introduce a Marketplace platform

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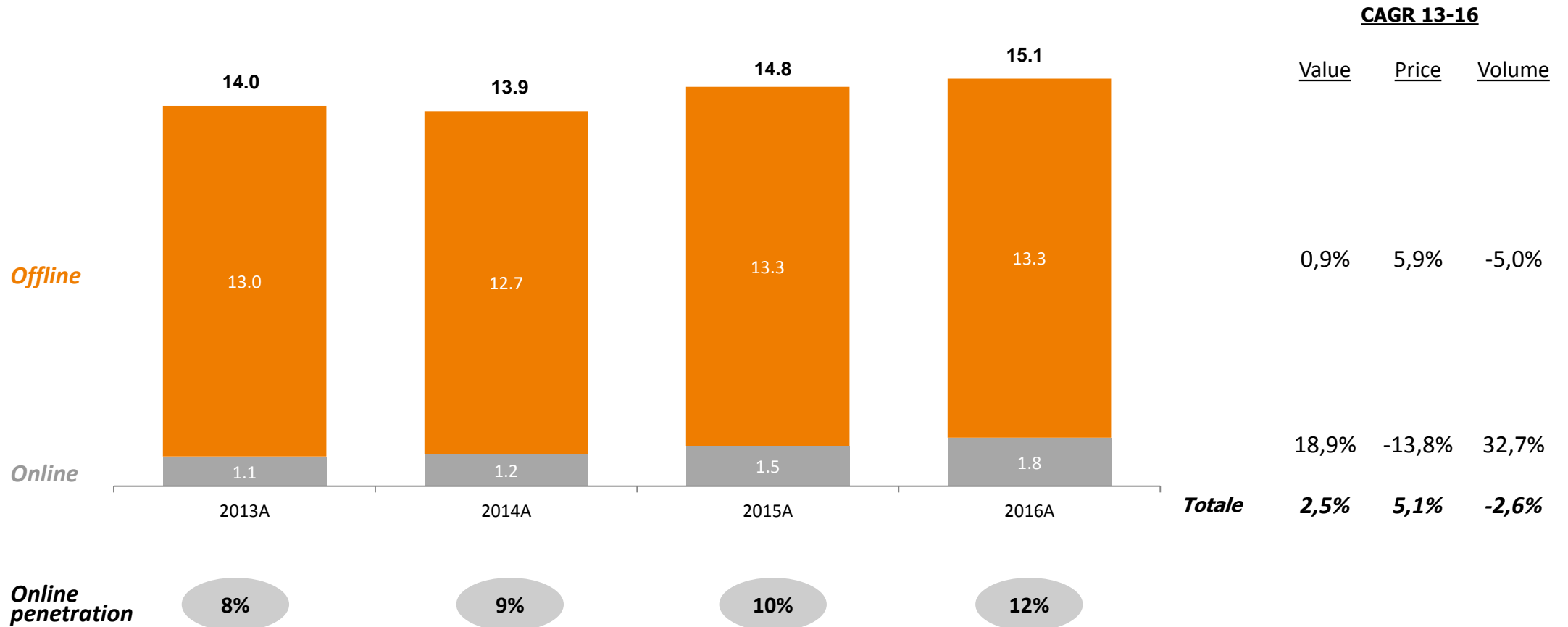
Market growth sustained by Telecom and White categories

2013-2016 Consumer Electronics market evolution by category, €b

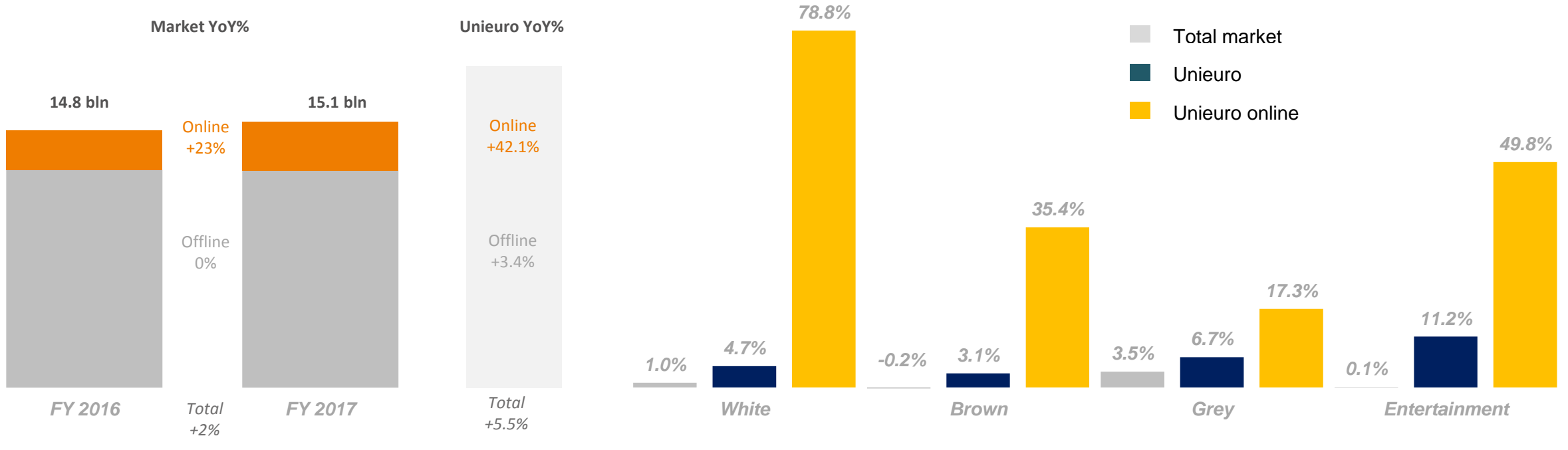


Positive past growth trend for both Online and Offline segments

2013-2016 Consumer Electronics market evolution by channel, €b



FY 2017: Unieuro overperforming the market



Growth: total Market up by 2.1%

- offline segment stable
- online sales +23%

Competitive Scenario: increase in competitive pressure due to:

- consolidation of the offline segment
- online segment dynamics

Internet penetration: approx. 12% in FY 2017

Unieuro: faster-paced growth compared to the market in both channels

- online segment: growth rate approx. twice the market's.

White goods:

- MDA: growth driven by recovery in consumption: the kitchen category, dishwashers, and dryers confirmed the positive trend especially in the online channel
- SDA: positive performance positive, also driven by the online channel (especially home and kitchen care)

Brown goods: stable sales; large TV-sets growth

Grey goods:

- Telecom: average price increase (launches of high-end models, i.e. Samsung S7); competitive pressure coming from telecom retailers
- IT: laptop segment contraction vs. excellent performances of slate PCs.

Unieuro⁽¹⁾: market share significantly growing in all product segments.

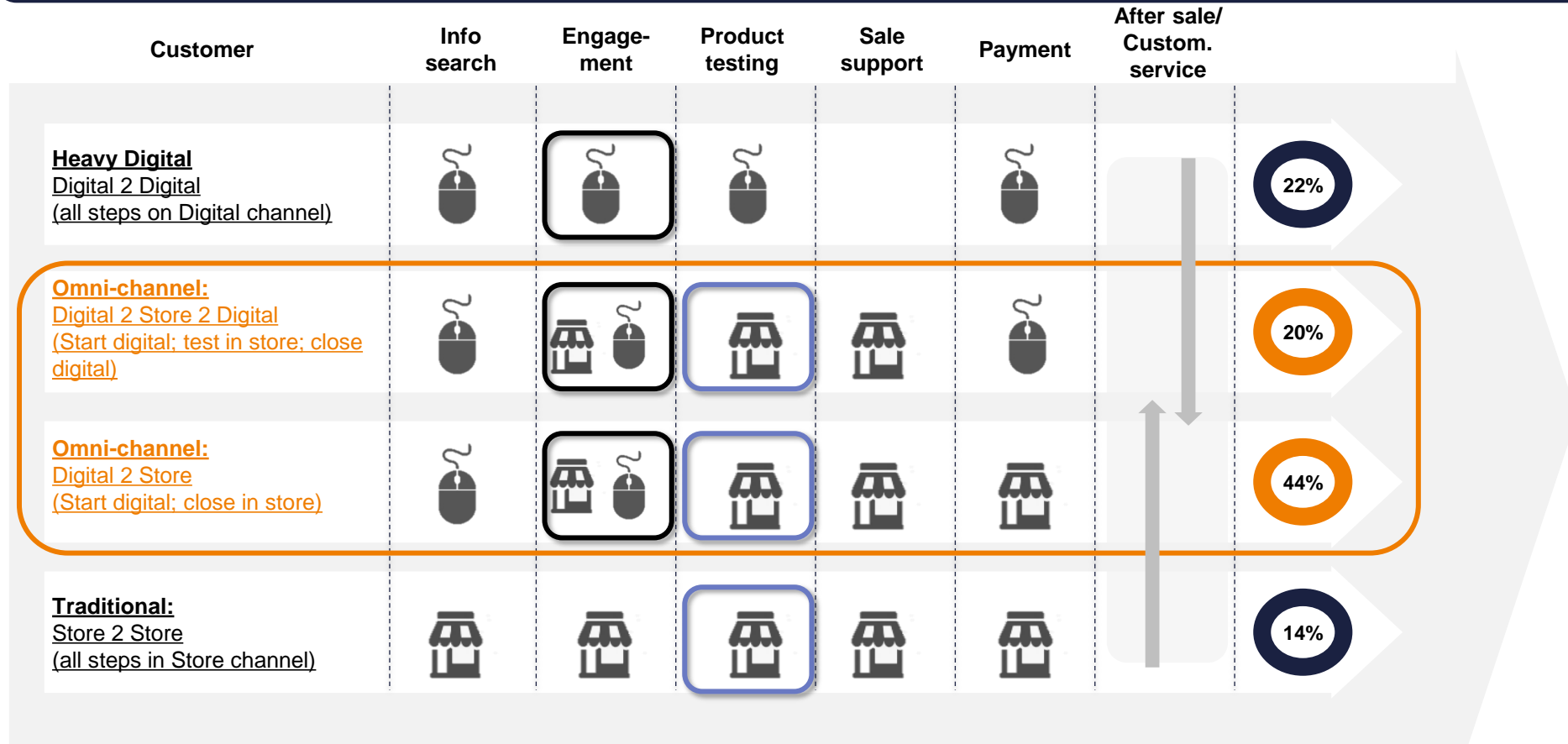
White sales booming, especially MDA.

Future growth drivers

Category	Product	Growth driver	
White goods	Major Domestic appliances	<ul style="list-style-type: none"> Further consolidation of 2013-15 growth trend Increasing penetration in selected categories (dryers, dishwashers) and alignment to European average 	↑ ↑
	Small Domestic appliances	<ul style="list-style-type: none"> MDA and SDA manufacturers focused on increasing number of entry points and changing consumer habits 	↑ ↑
	Home comfort	<ul style="list-style-type: none"> Highly volatile market, driven by weather conditions 	→
Brown goods	Consumer electronics	<ul style="list-style-type: none"> Normalisation of TV category following digitalisation break-through in 2009 and 2010 	→
	Media storage	<ul style="list-style-type: none"> Negative performance expected: decreasing prices and volumes 	↓ ↓
Grey goods	Telecom	<ul style="list-style-type: none"> Increasing prices and volumes, at lower rates vs. recent years: growth led by innovation and penetration of selected categories (e.g. wearables) 	↑ ↑
	IT	<ul style="list-style-type: none"> Limited growth, with price increase offset by volume reduction Laptops expected to register further growth, fuelled by convergence with tablet category Traditional PCs to register slight decrease in overall value 	↑
	Photo	<ul style="list-style-type: none"> Strong volume reduction Photo equipment manufacturers focused on innovation to drive price increase 	↓ ↓
Other consumer electronics (entertainment)	Consoles, games, others	<ul style="list-style-type: none"> Growth in line with recent years' performance 	↑

Omnichannel approach: the key route to success

64% of customers are omni-channel... and it is still growing



64% of customers are omni-channel

86% of customers collect information online

78% of customers test products in traditional stores

Omnichannel customers characterized by higher lifetime value

Loyalty customers are the proxy of omni-channel customers...

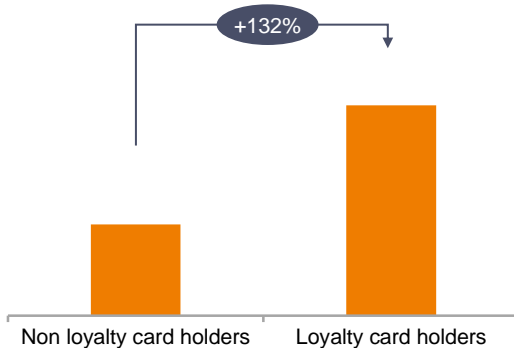
Loyalty program highlights

- ✓ 6.4 million members⁽¹⁾
- ✓ Customised awards, discounts, promotions
- ✓ Frequent engagement via SMS and newsletter
- ✓ Average ticket of loyalty card holders **132% higher** vs. non card holders

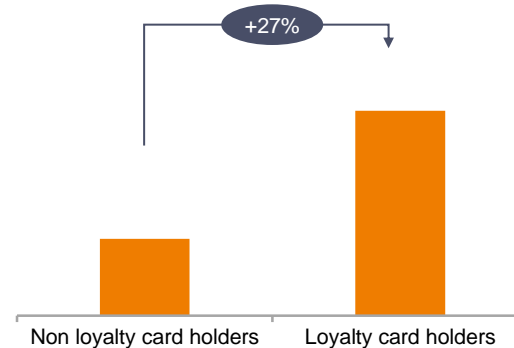
Sales split by customer type⁽²⁾



Average transaction value⁽²⁾ (€)

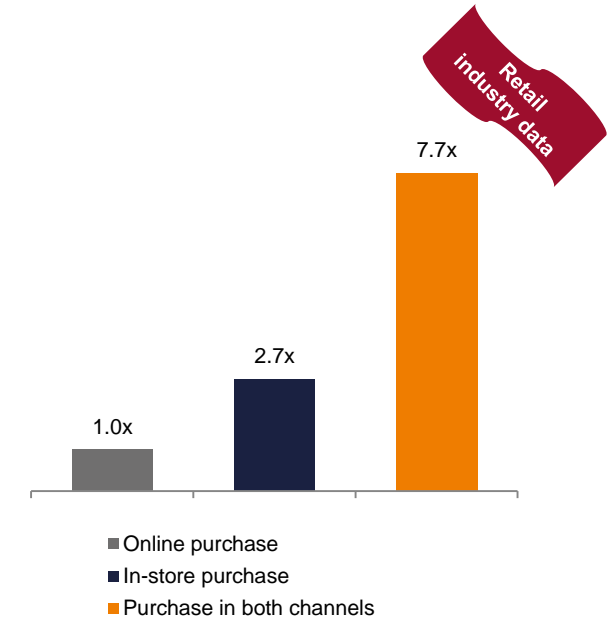


Average # items per transaction⁽²⁾ (# items)



...omni-channel customers are more valuable to retailers

Customer lifetime value (indexed to "Online purchase")



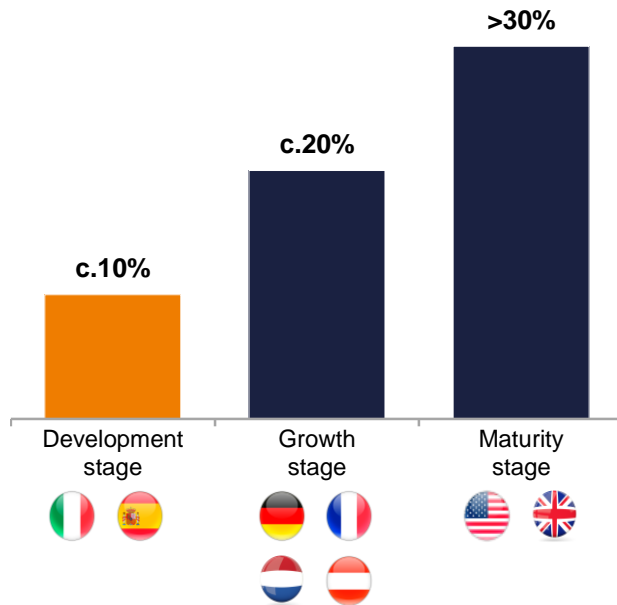
- In the global retail industry, the expected purchases attributed to the entire future relationship with a customer (customer lifetime value) is higher for omni-channel customers

Key trends in the Italian CE market

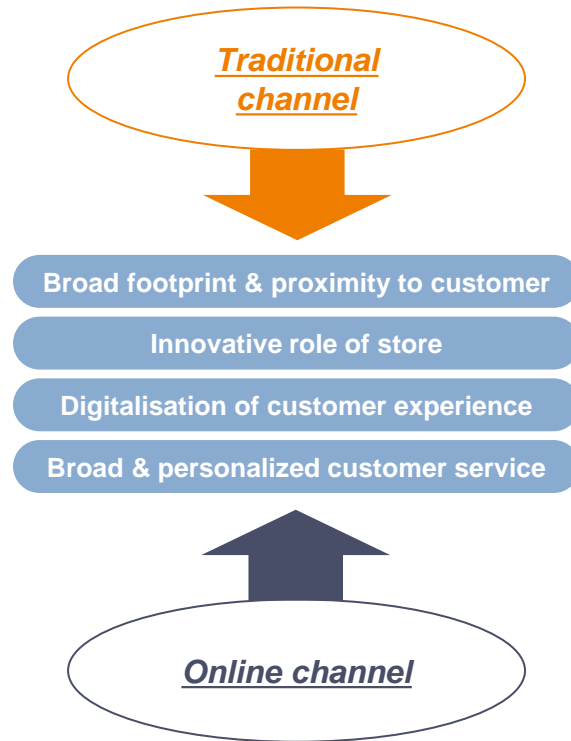


Different stages of online penetration in selected countries

Penetration of online channel (%)



Convergence of traditional and online channel



Relevant case studies in mature markets

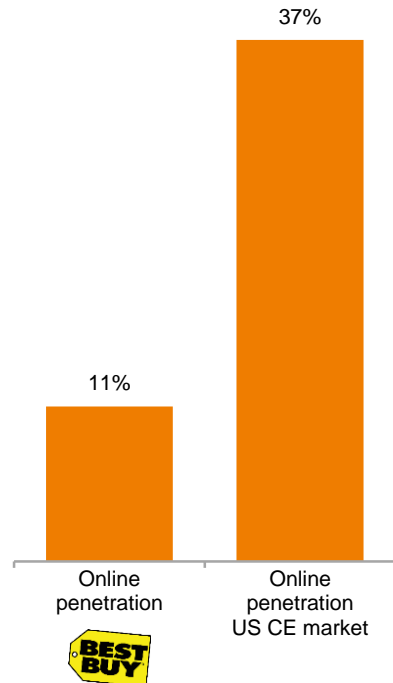


- ↑ # stores
- ↓ Avg. store size

What happened in mature markets

In mature markets, leading retailers with physical stores have managed to define successful responses

Online penetration
Best Buy vs. US CE market (2015)



Best buy response (Nov-12):
"Renew Blue" omnichannel plan



1 Redefining the role of stores



- Increased focus on "showrooms" allowing customers to feel and test products
- Convenience focused store footprint with a greater share of small format stores

2 Integrated experience across channels



- Focus on building a world class e-commerce platform with multiple fulfilment options and linked with the store experience
- Incorporate rewards system to promote loyalty and reinforce desired behaviours

3 Focus on service and experience to drive store traffic



- Geek Squad allows for upselling of additional services and high margin accessories
- Service offering helps drive store traffic and promote customer loyalty

Current US CE market online penetration is >3x online penetration on Best Buy revenues

Best Buy implemented an omnichannel strategy in order to exploit growth opportunities deriving from further penetration of online channel

Best Buy operating profit almost doubled in the two years following the omnichannel plan implementation

Summary

- Highlights
- Overview of Unieuro
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- Market Scenario
- **Financials**
- Closing Remarks

Key Financials

Sales (€m)

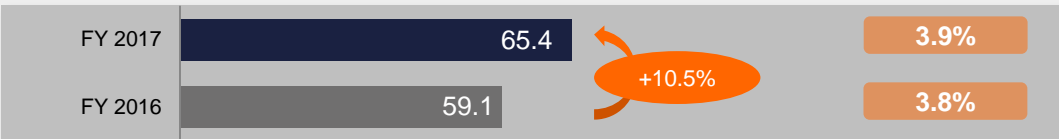
LFL growth¹



- All channels and product categories contributed to growth
- Main drivers:
 - Higher volumes
 - Launch of the new digital platform

Adj. EBITDA (€m)

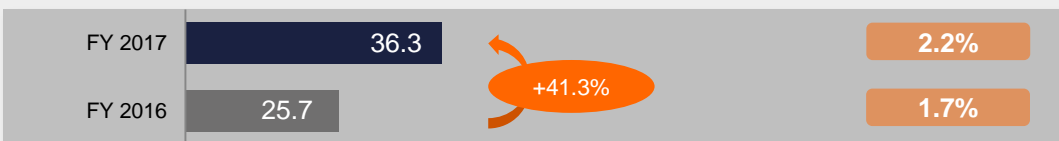
EBITDA margin



- Significant increase in Adj. EBITDA, up 10.5% to 65.4 €m, driven by:
 - Sales increase
 - Strict control of operating costs

Adj. Net Income (€m)

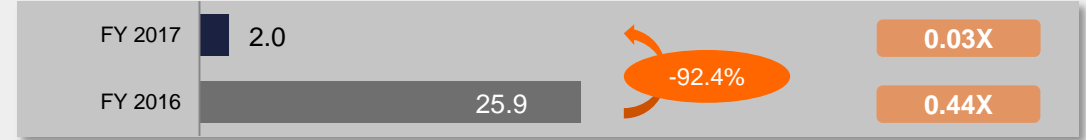
Net Income margin



- Outstanding operating performance coupled with significant financial and fiscal management results

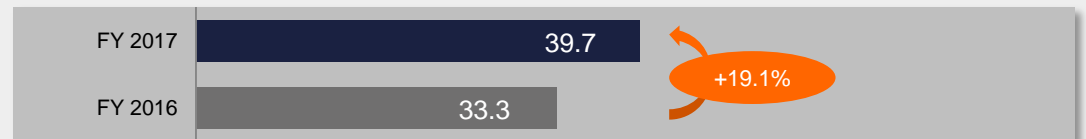
Net Financial Debt (€m)

Leverage



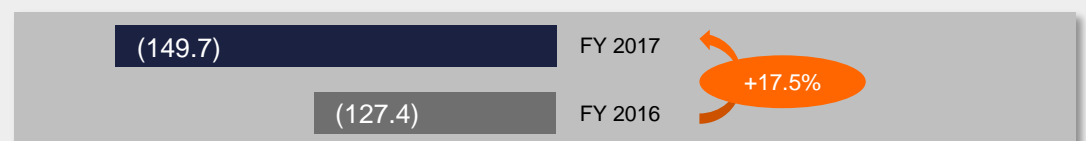
- Continuous reduction in Net Debt, now close to zero
- Financed 27.9 €m of capex and 3.9 €m of dividend payment

Adj. Levered Free Cash Flow (€m)



- Adj Levered FCF improvement of 19.1% with a cash conversion rate at 60.6% vs. 56.3% in prior year
- Net Working Capital careful management
- Lower taxes

Net Working Capital (€m)



- 22 €m generated in FY 2017 vs. 18 €m in prior year, mainly related to Other Items (Extended Warranties accruals)

FY 2017 Key Operational Data

Unieuro's Retail Network

DOS (units)

		Openings	Closures	Pick-up Points
FY 2017	180	+2	-3	169
FY 2016	181	+4	-3	171

AFFILIATES (units)

		Openings	Closures	Pick-up Points
FY 2017	280	+20	-23	212
FY 2016	283	+49	-26	106

- DOS in line with prior year with continuous refurbishments (17) and relocations (4)
- Continuous strong rationalization of affiliates network
- Pick-up points: up 38% to 381 (83% of total stores)

Total Retail Area (sqm DOS only)

Sales density
(€/sqm)

FY 2017	~276,000	~4,630	+6.4%
FY 2016	~283,000	~4,350	

- SQM reduction in line with strategy, focusing on smaller stores
- Sales density increase led by:
 - best practice diffusion
 - increase in Click&Collect sales

Loyalty Card Holders (million)

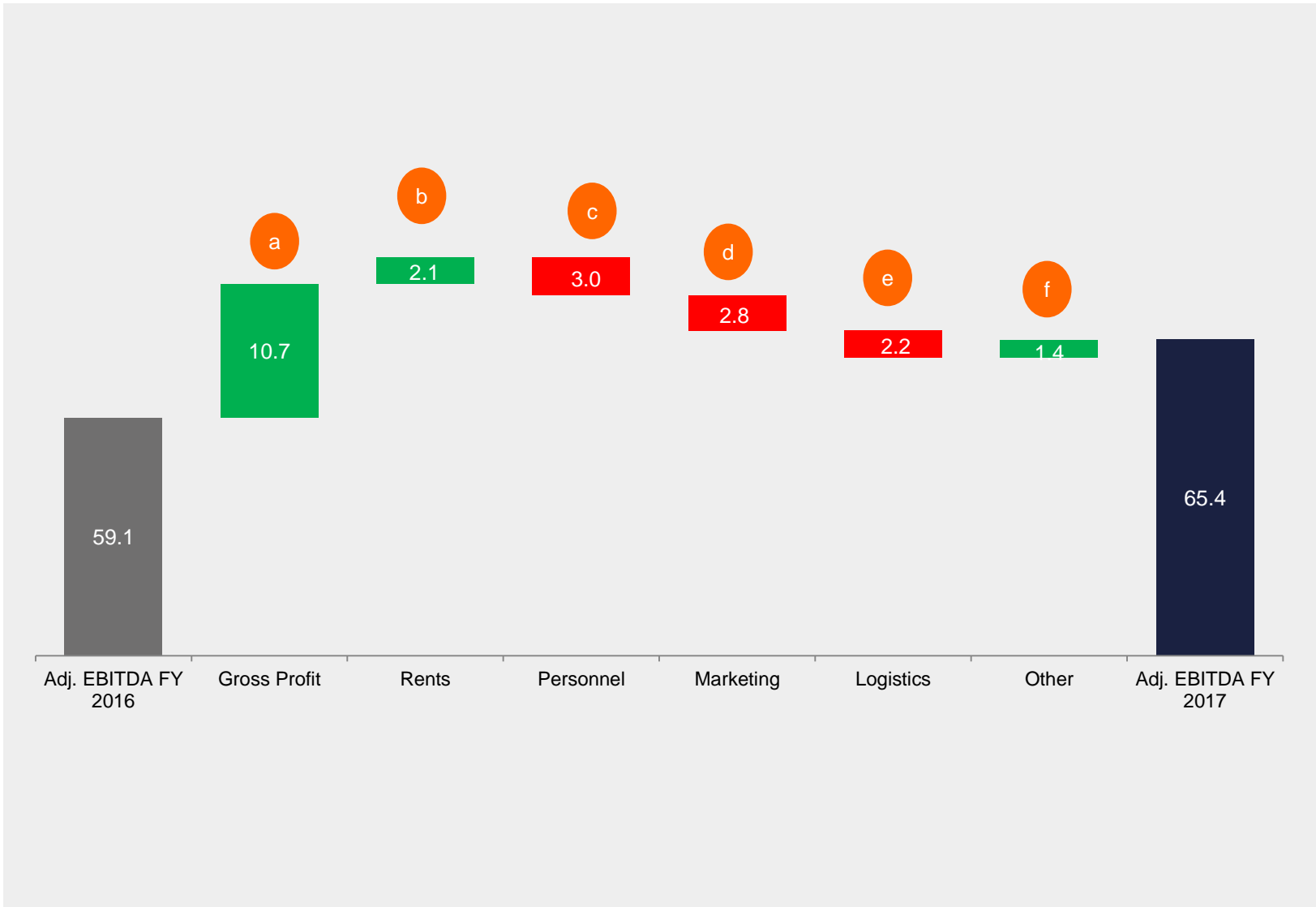
FY 2017	6.4	+14%
FY 2016	5.6	

Workforce (FTEs)

FY 2017	3,395
FY 2016	3,389

- Stable workforce notwithstanding sales increase, driven by higher operational efficiency

Adjusted EBITDA Walk



a **Increase in Gross Profit** mainly driven by volume effect related to the general increase in sales partially off-set by channel and product mix effect

b **Efficiency in Rental Costs** underpinned by further contract renegotiation activity

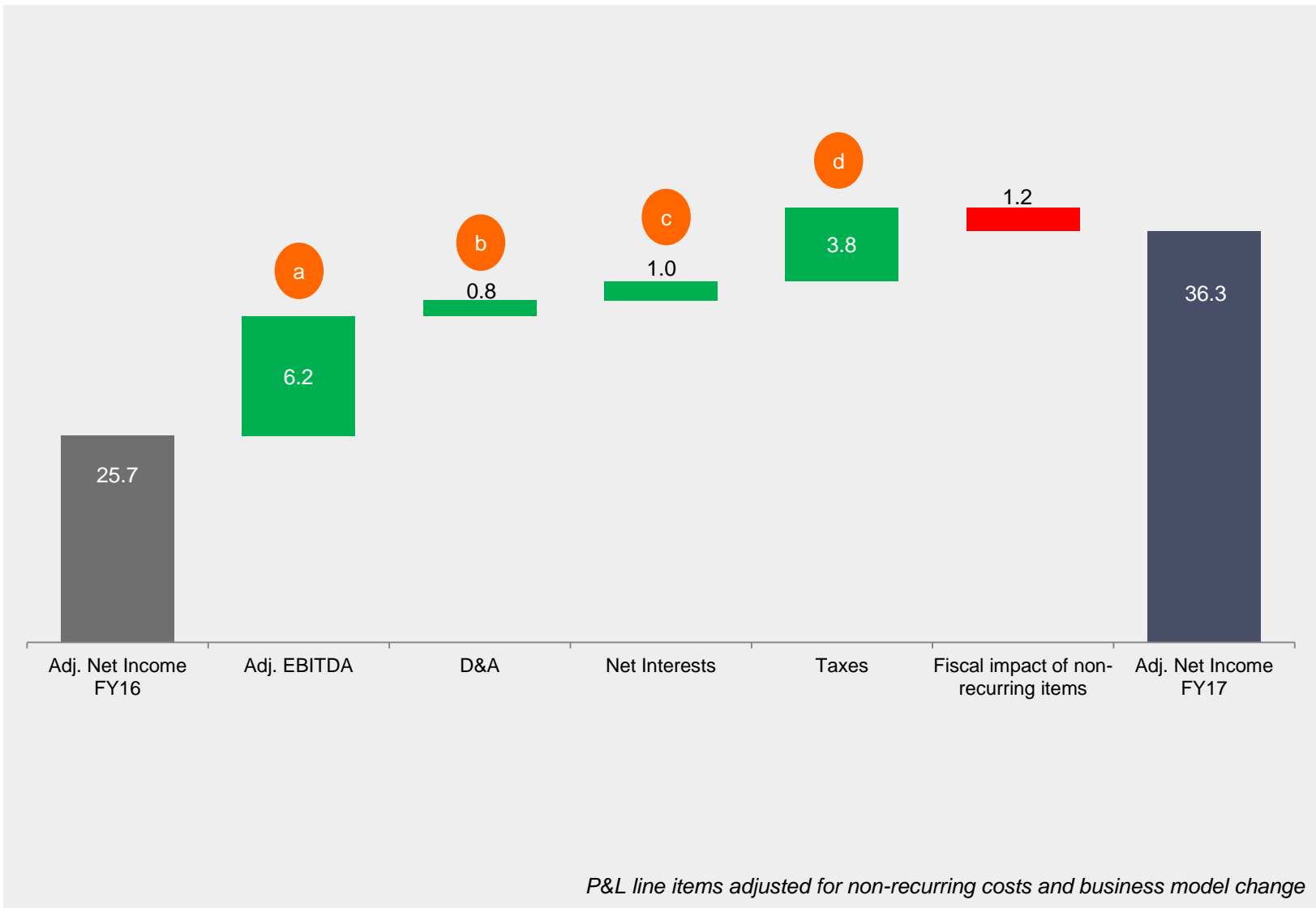
c Increase in **Personnel Costs** mainly driven by collective agreement and reinforcement of the organization; **strong reduction in incidence on sales** to 7.9% from 8.3% in prior year

d Higher **Marketing Costs**, mainly related to co-marketing activities to support new products launch, partially offset by supplier's contributions; **stable weight on sales** (2.9%)

e Increase in **Logistics Costs** connected to higher sales volume; almost **stable percentage on sales** (around 2.0%)

f **Reduction in Other costs** mainly related to energy rationalization program; incidence on sales from 3.0% to 2.7%

Adjusted Net Income Walk



a **Increase in adjusted EBITDA** underpinned by growing sale coupled with ongoing costs optimization

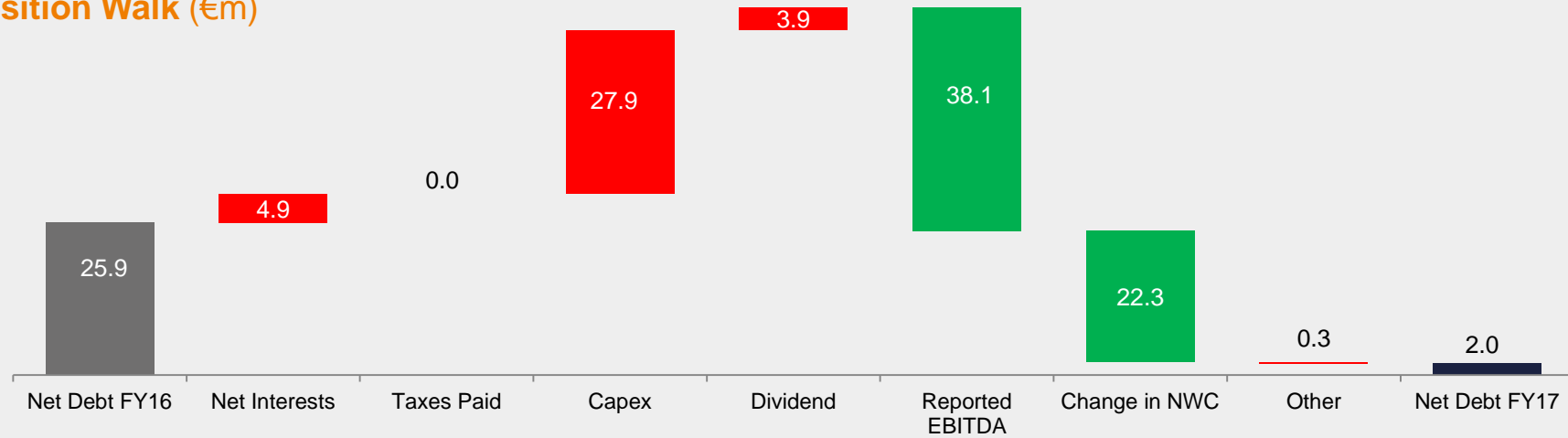
b **Decrease in D&A** due to lower store-related write-offs

c **Net interests efficiency** mainly driven by careful financial management and lower interest rates; partial reimbursement of term loans and total reimbursement of shareholder loan

d **Positive contribution from taxes** mostly due to accrual of deferred tax assets on Net Operating Losses

Financial Overview

Net Financial Position Walk (€m)



- **Net Financial Position close to zero**
- Strong operational results coupled with **careful management of Net Working Capital**
- Financed Capex for 27.9 €m, of which:
 - **21.6 €m store network** development and improvement actions
 - **5.9 €m IT** development and maintenance projects, including the new digital platform
 - 0.4 €m other minors

Net Working Capital (€m)

	FY 2017	FY 2016
Trade receivables	35.2	35.4
Inventories	269.6	264.4
Trade payables	(334.5)	(333.4)
Trade Working Capital	(29.8)	(33.6)
Other NWC	(119.9)	(93.8)
Net Working Capital	(149.7)	(127.4)

- Trade Working Capital almost in line with prior year
- Strong growth of other items, mostly due to warranties accruals

Adjusted Levered Free Cash Flow Walk



- P&L non recurring items mostly related to IPO, stock options and pre-opening
- Adjustments for non cash non recurring items mostly related to stock options

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Closing Remarks

- Unieuro as the only omnichannel consolidator in the Italian consumer electronics market, through organic growth (outperforming the market, +5.5%¹ vs. 2.1%) and M&A operations

- Competitive advantage strengthening thanks to the sales channel integration strategy

- Customer Centrality at the heart of the business model, starting with CRM building
- Voice of Customer as a pillar of decision-making and customer touchpoints continuous improvement process

- Further value creation thanks to cash generation, future tax savings and debt reimbursement
- Dividend policy confirmed: 50% of Adjusted Net Income

Annex



Non-IFRS and Other Performance Measures

This presentation contains certain items as part of the financial disclosure which are not defined under IFRS. Accordingly, these items do not have standardized meanings and may not be directly comparable to similarly-titled items adopted by other entities.

Unieuro Management has identified a number of “Alternative Performance Indicators” (“APIs”). These APIs are (i) derived from historical results of Unieuro S.p.A. and are not intended to be indicative of future performance, (ii) non-IFRS financial measures and, although derived from the Financial Statements, are unaudited and (iii) are not an alternative to financial measures prepared in accordance with IFRS.

The APIs presented herein are Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income (loss) for the year, Adjusted levered free cash flow, Cash conversion index, Net financial debt, Net financial debt to Adjusted EBITDA ratio, Leverage ratio.

In addition, this presentation includes certain measures that have been adjusted by us to present operating and financial performance net of any non-recurring events and non-core events. The adjusted indicators are: Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income (loss) for the year, Adjusted levered free cash flow and Net financial debt to Adjusted EBITDA ratio.

In order to facilitate the understanding of our financial position and financial performance, this presentation contains other performance measures, such as Net working capital.

These measures are not indicative of our historical operating results, nor are they meant to be predictive of future results.

These measures are used by our management to monitor the underlying performance of our business and operations. Similarly entitled non-IFRS financial measures reported by other companies may not be calculated in an identical manner, consequently our measures may not be consistent with similar measures used by other companies. Therefore, investors should not place undue reliance on this data.

Profit & Loss

	FY17	%	FY16	%
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	1.6%
<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%)
<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%

€m, unless otherwise stated

Profit & Loss Adjustments by P&L Line

	2017 vs 2016 FY17	FY17 <i>Adjustments</i>	FY16 <i>Adjustments</i>	2017 vs 2016 Adjusted
Gross Profit	11.0	1.1		12.0
Change in Business Model	--	9.7	(11.1)	(1.3)
Gross profit including change in Business Model	11.0	10.8	(11.1)	10.7
Rental Costs	0.7	0.8	0.6	2.1
Marketing costs	(2.9)	3.0	(2.9)	(2.8)
Logistic costs	(2.2)	0.0	--	(2.2)
Other costs	(3.7)	10.3	(5.0)	1.6
Personnel costs	(2.7)	4.7	(5.0)	(3.0)
Other operating costs and income	(4.9)	(2.3)	6.9	(0.2)
Total Costs	(15.6)	16.5	(5.3)	(4.5)
Total	(4.7)	27.3	(16.4)	6.2

€m, unless otherwise stated

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 (1)	8.0	8.1
Current Assets (2)	13.9	13.9
Current Liabilities (3)	(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 and Liabilities (4)	(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)

(1) **Current Tax Assets:** Includes Current Tax Assets and Fiscal Consolidation Receivables

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

(3) Current Liabilities

	FY17	FY16
Accrued expenses (mainly Extended Warranties)	(88.7)	(71.1)
Personnel debt	(28.2)	(27.0)
VAT debt	(15.7)	(8.5)
Other	(7.7)	(6.6)
Current Liabilities	(140.3)	(113.2)

(4) Other Long Term Assets and Liabilities

	FY17	FY16
Deposits	2.1	2.0
Deferred Benefit Obligation (TFR)	(9.8)	(10.2)
Long Term Provision for Risks	(7.2)	(7.0)
Store Loss Provision	(0.6)	(0.5)
Other Provision	(1.0)	(0.3)
Other Long Term Assets and Liabilities	(16.5)	(16.0)

€m, unless otherwise stated

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

€m, unless otherwise stated

EBITDA To Adjusted EBITDA Reconciliation

	FY17	FY16	'17 VS '16
EBITDA	38.1	42.8	(4.7)
<i>IPO</i>	6.1	-	
<i>Call options agreements</i>	3.8	2.3	
<i>Stores opening - relocations - closing costs</i>	3.3	3.7	
<i>Exceptional and Accidental Events</i>	1.1	-	
<i>Web Site Relaunch</i>	1.1	-	
<i>Other</i>	2.2	(0.6)	
Non-Recurring Items	17.6	5.3	12.2
Extended warranties adjustment	9.7	11.1	(1.3)
EBITDA Adjusted	65.4	59.1	6.2

€m, unless otherwise stated

Net Income To Adjusted Net Income Reconciliation

	FY17	FY16	'17 VS '16
Net Income Reported	11.6	10.6	0.9
<i>IPO</i>	6.1	-	
<i>Call options agreement</i>	3.8	2.3	
<i>Stores opening - relocations - closing costs</i>	3.3	3.7	
<i>Exceptional and Accidental Events</i>	1.1	-	
<i>Web site relaunch</i>	1.1	-	
<i>Other</i>	2.2	(0.6)	
Non-Recurring Items	17.6	5.3	12.2
Extended w arranties adjustment	9.7	11.1	(1.3)
Fiscal Impact of non-recurring items and extended w arranties adjustment	(2.6)	(1.3)	
Net Income Adjusted	36.3	25.7	10.6

€m, unless otherwise stated

Levered FCF To Adjusted Levered FCF Reconciliation

	FY17	FY16
Levered Free Cash Flow	28.6	27.2
P&L non-recurring items	17.6	5.3
Stock Options	(3.8)	(2.3)
Exceptional and accidental events (Oderzo)	(1.1)	-
Non cash effects in provisions	(0.6)	3.6
Fiscal Impact of non-recurring items	(1.1)	(0.5)
Subtotal Adjustments	11.0	6.1
Adjusted levered free cash flow	39.7	33.3
<i>% of Adjusted EBITDA</i>	<i>60.6%</i>	<i>56.3%</i>

€m, unless otherwise stated

Net Financial Position

	FY17	FY16
Bilateral Facility	-	0.0
Revolving Credit Facility	-	-
Short-Term Bank Debt	-	0.0
Term Loan A	6.0	9.4
Term Loan B	13.3	13.3
Capex Facility	14.3	15.0
Financing Fees	(1.8)	(2.7)
Long-Term Bank Debt	31.8	35.0
Bank Debt	31.8	35.0
Shareholder's Loan	-	20.4
Debt To other lenders	6.8	6.0
Other Financial Debt	6.8	26.4
Cash and Cash Equivalents	(36.7)	(35.4)
Net Financial Debt	2.0	25.9

€m, unless otherwise stated

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