

UNIEURO S.P.A.: STRATEGIC PLAN TO 2026 APPROVED

- **Launch of the "Omni-Journey" strategy that will make Unieuro the ideal response to every need linked to the world of technology, whilst always promoting Responsible Innovation**
- **Up to 265 million Euros of investments over five years to transform the company, already a market leader, into the industry's omnichannel market setter**
- **Strong cash generation¹ throughout the entire Plan period, serving growth in Italy and abroad as well as shareholder remuneration: net cash² at year-end 2025/26 between €370 and 390 million (net of 2021 dividend)**
- **Revenues expected up to €3.3 billion in the FY 2025/26 compared to €2.4 billion pre-Covid, up 4/6% per year compared to +1/2% for the market**
- **Adj. EBIT³ of between €85 and €95 million in FY 2025/26, a new all-time high and up 45/62% from pre-Covid, with expected cash generation of between €65 and €75 million**
- **Guidance 2021/22: revenue growth to EUR 2.8/2.9 billion, normalisation of operating profitability after last year's non-recurring benefits: Adjusted EBIT³ expected to be between €65 and 75 million (+11/+28% vs. pre-Covid)**

Forlì, 10 June 2021 – The Board of Directors of Unieuro S.p.A. (MTA: UNIR), the leading distributor of consumer electronics and household appliances in Italy, met today under the chairmanship of Stefano Meloni and approved the Company's five-year Strategic Plan (the "Plan").

Thanks to heavy investments, amounting to an average of more than €50 million per year, Unieuro intends to complete the company's digital transformation, which is already underway, by becoming a fully omnichannel retailer over the course of the Plan and implementing the new "Omni-Journey" strategy, aimed at anticipating and meeting customers' needs at all stages of their experience, before, during and after their purchase.

The cash generated¹ over the five-year period - net of these investments, which will absorb between €245 and 265 million - will allow the Company to record a positive net cash position² of €370/390 million at the end of the Plan, net of the proposed 2021 dividend of up to €54.2 million.

This considerable liquidity will be available to Unieuro to remunerate its shareholders – also pursuant to the dividend policy currently in force – and to seize new opportunities for external growth, no longer limited to the sales networks in Italy, but potentially including the acquisition of leading operators in foreign countries, of digital farms capable of accelerating the digitisation of Unieuro or even of companies operating in segments of the value chain that are not currently covered.

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In pursuing its evolutionary path, Unieuro will continue to gain market share year after year, increasing its turnover to the €3.2/3.3 billion forecast in the FY 2025/26 compared to 2.4 billion pre-Covid. The weighted average growth is therefore estimated at around 4/6% per year, compared to a more limited market growth, expected to be around +1/2% per year.

In the same year, Adjusted EBIT³ will reach new record levels, thus surpassing the exceptionally positive ones reported in 2020/21, and will be between €85 and 95 million, against adjusted cash flow of between €65 and 75 million.

“Only a month ago we presented the market with the best financial statements in Unieuro's history, thus rounding off a steady growth path that has drawn further energy and motivation from the listing on the stock market and subsequent evolution into a public company.

While we are preparing to pay out a record dividend and make our debut in the FTSE Italia Mid Cap index, today we are taking another historic step, presenting the market with an ambitious Strategic Plan that aims to definitively transform Unieuro into an omnichannel company for the total benefit of its stakeholders, first and foremost customers and shareholders.

To our customers we promise a central role in our strategy, offering them an increasingly distinctive and personalised consumer experience thanks to our passion and commitment to serving them.

To our shareholders, on the other hand, we anticipate that Unieuro will continue to grow more than its reference market, generating up to €3.3 billion in revenues in five years' time, with an Adjusted EBIT at record-breaking levels and a continuous and solid generation of cash, which will allow us to remunerate capital and seize unprecedented opportunities in Italy and abroad.

Lastly, to all stakeholders we guarantee an increasingly sustainable approach, which in the coming months will translate into a Sustainability Plan capable of strengthening and structuring the initiatives underway.

In keeping with Unieuro's DNA, which has always been focused on change and innovation, the Strategic Plan represents a further milestone in the Company's growth and evolution path, marking the definitive transition from Market Leader to Market Setter.

Our management team, recently redefined and strengthened, is ready to tackle and win this new, exciting challenge.”

Giancarlo Nicosanti Monterastelli, CEO of Unieuro.

The reference market

The consumer electronics and household appliances market in Italy has historically shown a stable trend, with significant growth in 2020/21 (around +8%) linked to the Covid emergency.

The pandemic has indeed significantly impacted Italian consumption and lifestyle, emphasising a number of macro-trends relevant to Unieuro's reference sector, some of which had already appeared in previous years:

- the refocusing of consumption in terms of budget and spending mix, with many consumers seeking convenience, while others focus on value;
- the shift of life to the home, the new centre of gravity around which work, social relations and leisure revolve;
- the push towards digitisation, with the emergence of new habits and increasing expectations on online purchases;
- the growing importance of sustainability, in particular the search for energy efficiency among the relevant parameters in shopping choices.

Against this background, the competitive advantages built up over the years by Unieuro have allowed it to confirm and strengthen its omnichannel leadership, outperforming both the online and offline markets.

In the next few years, the market is expected to mildly grow, partly thanks to the consolidation of the new habits acquired in the Covid year and partly thanks to the average per capita spending getting closer to the more mature European countries, compared to which Italy is still lagging behind.

The weighted average rate of market growth between the FY 2019/20, the last before the Covid emergency, and FY 2025/26 is expected to range between 1 and 2% per year.

Over the Plan period, the online channel, building on the levels achieved in 2020/21, is expected to continue its growth at annual rates comparable to pre-Covid expectations, reaching a share of around 30% of the total market.

Multichannel operators will nevertheless maintain a central role, thanks to the increasing value attached to proximity and the rising integration between sales channels.

The “Omni-Journey” Strategy

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Unieuro is already the Market Leader in consumer electronics and household appliances in Italy, a position it has achieved thanks to specific competitive advantages that are unique and distinct from its main competitors.

With the new "Omni-Journey" Plan, Unieuro intends to start a new chapter in its history, becoming a "Market Setter", i.e. the player that drives the sector's performance, anticipates market trends, and influences the rest of the value chain, with the ultimate goal of consolidating its role as the "natural destination" for technology purchases at every stage of the customer experience.

The company's mission evolves in the consolidation and growth of market and image leadership, to the benefit of all stakeholders: for Unieuro, people always take centre stage in an omnichannel ecosystem which - thanks to the integration of direct, affiliated and web stores - offers proximity and service, bringing about a distinctive and personalised consumer experience.

The "Omni-Journey" approach is based on four strategic pillars that accompany customers throughout their experience, before, during and after their purchase:

- "Omni-Choice": anticipating everyone's needs, offering the best personalised advice with expertise and service;
- "Omni-Purchase": offering the best proposal, guaranteeing availability of the right product, in the right place and at the right price;
- "Omni-Experience": guaranteeing the best level of service, distinctive and personalized, within the Unieuro ecosystem;
- "Responsible Innovation": ensuring sustainability along the entire value chain, with passion and commitment, and inducing responsible behaviour during the entire purchasing process.

The Plan is based on the following main strategic objectives:

1. Strengthening the "Core Business"

Unieuro intends to consolidate its leadership in the sector by winning further market share, also in new product categories.

This objective will be achieved thanks to a strengthening of the omnichannel proposition, with an increasing weight of e-commerce and an evolution of the role of brick-and-mortar stores, which will continue to play a central and distinctive role within the omnichannel purchasing process.

To this purpose, the company is making major investments in digital transformation, aimed at enhancing the tools available to management, by making strategies data-driven and

guaranteeing extreme personalisation of the offer (in terms of assortment, price, promotions, communication) and the customer experience at all stages.

2. Evolution of the operating model and service level

The foundations on which the new Plan is based include the adjustment of the operating model by strengthening processes, talents and tools.

Unieuro will adopt a structured mobilisation plan to achieve tangible results, including the consolidation of the management technology infrastructure to be achieved through investments in cybersecurity that will ensure safe business continuity against cyber attacks.

Last but not least, the current customer care operating model will be developed to improve the level of service offered and optimise communication, including proactive communication, with the customer.

3. Development of new sources of business and profitability

Unieuro intends to develop along three new directions to support and diversify its profitable growth over the Plan period:

- Ongoing improvement and innovation of the range of services and level of assistance to offer an increasingly complete, personalised, omnichannel customer experience;
- Expansion of the product categories offered, including by expanding the ecosystem of partnerships to meet the technological needs of the customer and improve life at home;
- Development of exclusive brands, with a distinctive positioning in terms of quality and price.

4. Responsible Innovation

Sustainability will be one of the pillars of Unieuro's new strategy, with the objective of creating sustainable value for all stakeholders and guaranteeing a consistently positive experience with technology in daily life, obtaining an important competitive advantage in addition to improving economic and financial metrics.

Unieuro's ESG strategy, through concrete initiatives already identified, is articulated in four areas: Community, Talent, Responsible Innovation and Culture.

In support of this commitment and ahead of a detailed Sustainability Plan to be disclosed in the coming months, Unieuro has already introduced a new ESG performance objective for the second cycle of the 2020-2025 Performance Share Plan for company management.

Economic and financial targets

As estimated by Unieuro, the proper implementation of the Plan and the consequent transformation into a Market Setter will result, from an economic-financial point of view, in the achievement of the following targets for the FY 2025/26:

- **Revenues** in the range of €3.2 to €3.3 billion, reflecting a compound average annual growth (cagr) of 5/6% compared to the pre-Covid €2.4 billion and a further increase compared to the record FY 2020/21, which closed in the area of €2.7 billion.
- **Adjusted EBIT³** at a new all-time high, also higher than the exceptional level of the 2020/21 financial year and in the range of €85 to 95 million. Growth compared to the last pre-Covid financial year, when Adjusted Ebit amounted to 58.7 million, is therefore expected to be between 45 and 62%.
- **Adjusted Free cash flow¹** expected to be between €65 and €75 million, compared to €57 million generated in the FY 2019/20 (+15/33%).
- **Net cash²** between €370 and €390 million, net of the 2021 dividend payable in June, compared to €154.8 million recorded as at 28 February 2021.

Opportunities for incremental growth

In light of the strong cash generation¹ and consistent with its role as a Market Setter, Unieuro is ready to carefully consider additional inorganic growth opportunities.

Firstly, the Company intends to pursue its strategy of consolidating the Italian market through the acquisition of smaller players with limited overlap with the current network, in order to fill geography gaps or support the development of the online channel.

Secondly, during the Plan period Unieuro is ready to consider acquisitions abroad, focusing its attention on leading players in their own markets, with a correct strategic positioning and adequate size. The aim is to diversify the country risk deriving from being present, to date, only in Italy.

Lastly, Unieuro will consider "scope" deals to strengthen the core business through the internalisation of key activities and to speed up the implementation of its "Omni-Journey" strategy. This strategy will include the acquisition of digital farms capable of accelerating the company's digitisation or expansion into segments of the value chain that are currently not yet covered, particularly in the services sector.

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Guidance for the FY 2021/22

Consistent with the expectations shared at the time of publication of the 2020/21 financial year results⁴, Unieuro estimates that the current financial year will be largely influenced by the speed and outcome of the vaccination campaign, aimed at containing and ultimately eradicating the Covid-19 epidemic.

The Italian market is expected to make further moderate progress compared to the previous year, driven by the migration to the Dvb-T2 Hvc standard, which will have a positive impact on the Brown category, particularly in the TV segment.

At the channel level, the lifting of restrictions on trade as of 21 May will provide a new boost to physical stores, while e-commerce will slow down its growth, without however regressing to pre-Covid levels, in light of consumer behaviour that has now changed radically.

Unieuro expects revenues to grow to €2.8/2.9 billion, including organic growth and new opportunities in the Mass Merchandisers' segment, currently under negotiation.

Adjusted EBIT³ is expected to be in the range of €65 to €75 million, compared to the exceptionally high level of €86.8 million reported last year thanks to the non-recurring benefits of the anti-Covid actions⁵. The estimated progress is however significant when compared to the FY 2019/20, which had seen an operating result of €58.7 million.

Even considering the forthcoming payment of the record coupon for a maximum of €54.2 million, the Net Cash position² as at 28 February 2022 is estimated to be between 145 and 155 million, almost stable compared to the beginning of the financial year.

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Presentation of the Strategic Plan

Unieuro informs that today, at 03:00 pm CET, the Management will present the Plan during an interactive virtual event, called "Our Omni-Journey to 2026".

To join the event and then ask questions to the Management (this option is reserved for professional market operators, such as financial analysts and fund managers), please go to the following link and register, shortly before the start of the event: www.unieuroevent.com.

Connecting via private networks is preferable to avoid the blocking of streaming by firewalls.

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

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

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This press release contains forecasts on Unieuro's future events and results that are based on current expectations, estimates and projections about the industry and on the reasonable judgement of the management. Evidently, these elements have a component of risk and uncertainty because they depend on the occurrence of future events. It should be noted that the actual results might deviate significantly from those announced, owing to a range of factors including: global economic conditions, the impact of competition, political, economic and regulatory developments in Italy.

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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 270), affiliated stores (about 250) 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 5,400 employees. Listed on the STAR segment of the Italian Stock Exchange since 2017, Unieuro reported revenues of approximately Euro 2.7 billion in the fiscal year ended at 28 February 2021.

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¹ Cash flow is measured by the **Adjusted Free Cash Flow**, defined as the consolidated cash flow generated/absorbed by operating and investing activities including financial expenses. Adjusted Free Cash Flow is adjusted for non-recurring operating and investment cash flows, and includes adjustments for non-recurring charges (income), their non-monetary component and the related tax impact

² **Net debt (cash)**, or **Net financial position**, is financial debt – not including Lease liabilities (IFRS 16) – net of cash and cash equivalents

³ **Adjusted EBIT** is EBIT adjusted for: (i) non-recurring expenses/(income), (ii) depreciation, amortisation and non-recurring writedowns, and (iii) 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

⁴ See press release of 7 May 2021, section "Business outlook"

⁵ See Unieuro's press releases issued on 13th March, 18th March, 30th March, 14th April and 6th May 2020.