



Esselunga Group: First Half 2021 Results and General Manager Appointment

On 15 September 2021, the Board of Directors of Esselunga reviewed in Limite di Pioltello the First Half 2021 Results, summarized as follows:

- Esselunga Group generated **Sales totalling € 4,332 million, up by 6.7%** compared to the same period in 2020. Growth was also affected by the Covid-19-related restrictions imposed on mobility between different Municipalities, which had penalized the first half of 2020.
- **Shelf prices** showed a **1.7% drop** vs a 1.1% suppliers' inflation.
- **Savings granted to Customers** totalled **€ 791 million**, up by more than € 100 million vs 1H2020.
- **Esselunga remains at the top ranking for price competitiveness** with 2.6% below the market average (Source NRPS Nielsen).
- **EBITDA** amounted to **€ 427.1 million (9.9%)** up compared to € 366.6 million (9.0%) in the first half of 2020. EBITDA has been positively affected by the closing of the five-year "Fidaty" loyalty program and by a good operating performance. Adjusted EBITDA^(*) in the first half of 2021 amounted to € 380.9 million (8.8%) compared to € 389.5 million (9.6%) in the first half of 2020.
- **EBIT** amounted to **€ 241.8 million (5.6%)** up compared to € 204.5 million (5.0%) in the first half of 2020. EBIT has been affected positively by the effect of closing the five-year "Fidaty" loyalty program mentioned above and negatively by the additional amortization costs for store openings. Adjusted EBIT^(*) in the first half of 2021 amounted to € 211.4 million (4.9%) compared to € 239.0 million (5.9%) in the first half of 2020.
- **Net Profit** amounted to **€ 221.1 million (5.1%)** up compared to € 128.5 million (3.2%) in the first half 2020, benefitting from lower taxes for € 65 million (so-called *Riallineamento Fiscale*) according to Law Decree no.104/2020.
- **Capital expenditures** were € 180.3 million.
- In the first half of 2021 **the Esselunga Group opened:**
 - o 27 January: Corso XXII Marzo in Milan
 - o 24 February: *laESSE* Via Cola di Rienzo in Rome
 - o 24 March: Via Gasparotto in Varese
 - o 19 May: Piazzale Arnoldo Mondadori in Mantua
 - o 30 June: Viale Borri in Varese (re-opening following renovation)

^(*) To be noted that the Adjusted figures neutralize the effect of the fair value accounting of prize-giving promotions (IFRS 15-Revenues from Contracts with Customers) and the effect relating to the application of IFRS 16 "Leases".

- **Net Financial Position was € -1,834.5 million.** Excluding effect of the operating leases Net Financial Position improved by € 10 million compared to 31 December, 2020 as summarized below:

Net Financial Position (€ million)	As of June 30, 2021	As of December 31, 2020
Net Financial Position	(1,834.5)	(1,820.1)
Operating leases (IFRS 16)	(427.3)	(403.2)
Adjusted Net Financial Position	(1,407.2)	(1,416.9)

Net Financial Position has been negatively affected by the closing of the five-year “Fidaty” loyalty program.

- Esselunga informs that the existing back-up credit facilities due August 2022 were closed and at the same time Esselunga signed three Revolving Sustainability-Linked facilities for a total amount of € 300 million with five-year tenor, linked to the goals set in the 2020-25 Sustainability Plan.
- The margin of the credit facilities is linked to the following targets:
 - o **Climate Change:** 30% reduction of the greenhouse emissions by 2025
 - o **Education:** more than € 100 million supplies donated to Italian schools in the 2018-2025 timeframe through the “Amici di Scuola” project,

effectively supporting the achievement of Sustainable Development Goals (SDG) 4 and 13 of the 2030 Agenda, the sustainability targets adopted by the 193 UN Countries.

- In the same meeting the Board of Directors appointed Mr. Gabriele Villa as **General Manager**, with the responsibility of the following Departments:
 - o Commercial
 - o Quality Assurance
 - o Production
 - o Logistics
 - o Digital & Information Technology.

Limite di Pioltello, 15 September 2021

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***ESSELUNGA** is one of the leading Italian food retailers, operating through a network of 169 superstores and supermarkets served by production and processing plants. Esselunga was founded in 1957 with the opening in Milan of the first supermarket in Italy. Today the company has over 25,000 employees and more than € 8 billion revenue. Esselunga has 5.7 million loyal clients and it's an example of quality and innovation with a daily commitment to sustainability.*

Financial Performance as of June 30, 2021

Following the Merger by incorporation of Superit Finco S.p.A. and Supermarkets Italiani S.p.A. into Esselunga S.p.A. the 1H 2020 financials are related to Superit Finco Group.

Income Statement (€ million)	First Half 2021	%	First Half 2020	%
Total Sales	4,332.1	+6.7	4,061.0	
EBITDA	427.1	9.9	366.6	9.0
EBIT	241.8	5.6	204.5	5.0
Net Income	221.1	5.1	128.5	3.2

Balance Sheet (€ million)	As of June 30, 2021	As of December 31, 2020
Non-current assets	5,153.7	5,034.3
Current assets	1,479.7	2,170.1
Total Assets	6,633.3	7,204.4
Shareholders' equity	2,171.3	1,956.8
Non-current liabilities	2,603.4	2,580.3
Current liabilities	1,858.6	2,667.3
Total Liabilities and Shareholders' Equity	6,633.3	7,204.4

Cash Flow Statement (€ million)	First Half 2021	First Half 2020
Net Financial Position at the beginning of the period	(1,820.1)	(777.5)
Cash Flow from operations	278.2	343.8
Cash Flow from investing activities	(258.2)	(193.4)
Cash Flow from financing activities	(18.3)	(31.5)
Dividends paid	(16.0)	(15.0)
Merger Effect	-	(1,295.0)
Net Cash flow during the period	(14.4)	(1,119.1)
Net Financial Position at the end of the period	(1,834.5)	(1,968.6)