



Financial Information

Esselunga Group - First Half 2020 Results:

Sales at € 4,061 million.

Total savings granted to Customers € 675 million.

Adjusted Net Financial Position € +3.8 million on June 2020.

On the 23rd of September 2020, the Board of Directors of Esselunga reviewed in Limite di Pioltello the First Half 2020 Results, summarized as follows:

- The Esselunga Group generated **sales totalling € 4,061 million, up by 0.9%** vs the same period in 2019, despite the negative impact of the lockdown during March and April. If we exclude bars and perfumeries' sales, which were closed for 2 months, Esselunga grew +1.9% vs the same period in 2019.
- **Shelf prices** showed a 1.7% inflation vs a 3% **suppliers inflation**.
- **Esselunga remains at the top ranking for price competitiveness** with 3% below the market average (Source NRPS Nielsen, Trading Area). This price competitiveness has been unchanged during the last years.
- **Savings granted to Customers** totalled € 675 million, to keep the competitiveness during this difficult economic phase in Italy.
- **Adjusted EBITDA** ⁽ⁱ⁾ amounted to € 395.9 million (9.7%) compared to € 379.4 million (9.4%) in the first half of the 2019. Adjusted EBITDA in the first half 2020 includes the Covid-19 costs to preserve the safety of our Customers and employees.
- **Adjusted EBIT** ⁽ⁱ⁾ amounted to € 244.3 million (6%) compared to € 229.8 million (5.7%) in the first half of the 2019.
- **Adjusted Net Profit** ⁽ⁱ⁾ increased from € 152.5 million (3.8%) to € 165.3 million (4.1%).
- In the first half of 2020 the Esselunga Group opened two new stores (Viale Tibaldi - Milan and Barzanò - Lecco) bought in February 2020 by Margherita Distribuzione S.p.A. and renovated in approx. 2 months. In June the 2nd laESSE has been opened in Milan Via Melchiorre Gioia.
- **Capital expenditures** were € 126.8 million.

- **Adjusted Net Financial Position** ⁽ⁱ⁾ was € 3.8 million, with an improvement of € 153.5 million, as summarized below:

(€ million)	As of June 30, 2020	As of December 31, 2019
ADJUSTED NET DEBT	+3.8	(149.7)
IFRS 16 “Leases”	(396.5)	(360.0)
NET DEBT	(392.7)	(509.7)

We inform you that the reverse merger of Superit Finco S.p.A., Supermarkets Italiani S.p.A. in Esselunga S.p.A. is in progress.

⁽ⁱ⁾ The adjustments to:

- EBITDA and Operating Profit neutralize the effect of fair value accounting of prize-giving promotions and the effect relating to the application of IFRS 16 “Leases”;
- Net Profit neutralize the effect of fair value accounting of prize-giving promotions and the effect relating to the application of IFRS 16 “Leases”, including tax effects;
- Net Financial Position exclude the effect relating to the application of IFRS 16 “Leases”.

Limite di Pioltello, 23rd of September 2020

For further information:

Francesca Cirillo
Investor Relations Esselunga, tel. (+39) 02 9293 7037
Email: investor.relations@esselunga.it

***ESSELUNGA** is one of the leading Italian chains in the large-scale retailing sector, operating through a network of 162 stores in Lombardy, Tuscany, Emilia Romagna, Piedmont, Veneto, Liguria and Lazio. Esselunga was founded in 1957 with the opening in Milan of the first supermarket in Italy. Today the company has over 24,000 employees and more than € 8 billion revenue.*

Esselunga Group

Adjusted Financial Performance as of June 30, 2020 (€ million)

Income Statement	First Half 2020	%	First Half 2019	%
TOTAL SALES	4,061.0	+0.9	4,025.2	
EBITDA	395.9	9.7	379.4	9.4
OPERATING PROFIT	244.3	6.0	229.8	5.7
NET INCOME	165.3	4.1	152.5	3.8

NET FINANCIAL POSITION	3.8	(60.3)
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The adjustments to the **EBITDA** neutralize:

- the recognition at fair value of prize-giving promotions whose impact amounts to € 39.2 million for the First Half 2020 and € 0.9 million for the First Half 2019;
- the effect related to the application of new IFRS 16 “Leases” whose impact amounts to € 16.3 million for the First Half 2020 and € 15.0 million for the First Half 2019.

Further to the adjustments to the EBITDA highlighted above, the adjustments to **Operating Profit** neutralize also the additional depreciation charges stemming from the application of new IFRS 16 “Leases”.

Financial Performance as of June 30, 2020 - not adjusted.

Consolidated Income Statement and Net Financial Position (€ million)

Income Statement	First Half 2020	%	First Half 2019	%
TOTAL SALES	4,061.0	+0.9	4,025.2	
EBITDA	373.0	9.2	393.5	9.8
EBIT	209.8	5.2	232.7	5.8
NET INCOME	136.6	3.4	150.9	3.7
NET FINANCIAL POSITION	(392.7)		(395.5)	

Consolidated Balance Sheet (€ million)

Balance Sheet	As of June 30, 2020	As of December 31, 2019
Non-current assets	4,952.0	4,972.0
Current assets	2,204.0	2,158.0
Assets held for sale	-	17
TOTAL ASSETS	7,155.0	7,147.0
Shareholders' equity	3,440.0	3,318.0
Non-current liabilities	1,830.0	1,880.0
Current liabilities	1,885.0	1,949.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,155.0	7,147.0

Consolidated Cash Flow Statement (€ million)

Cash Flow Statement	First Half 2020	First Half 2019
Cash Flow from operations	359.0	605.1
Cash Flow from investing activities	(193.4)	(151.6)
Cash Flow from financing activities	(18.8)	(18.2)
Dividend distributed	(15.0)	-
Income Tax paid	(14.8)	(58.7)
NET CASH FLOW	117.0	376.6
Adjusted Net Financial Position at the beginning of the year	(149.7)	(435.7)
IFRS 16 Leases	(360.0)	(336.4)
NET FINANCIAL POSITION AT THE BEGINNING OF THE YEAR	(509.7)	(772.1)
NET CASH FLOW DURING THE PERIOD	117.0	376.6
NET FINANCIAL POSITION AT THE END OF THE YEAR	(392.7)	(395.5)

To be noted that the Net Financial Position as of 30 June 2019 benefited of € 351.7 million related to the tax and suppliers' payments due on June 30 but paid on July 1.