



## Financial Information

### **Esselunga Group - First Half 2019 Results:**

**Sales up 2.9% to € 4,025 million.**

**Total savings granted to Customers € 753 million.**

On the 28<sup>th</sup> of August 2019, the Board of Directors of Esselunga has examined in Limite di Pioltello the First Half 2019 Results, summarized as follows:

- In the First Half 2019 the Esselunga Group made **sales totalling € 4,025 million, up by 2.9%**.
- **Shelf prices** showed a 1% deflation.
- **Savings granted to Customers** totalled € 753 million, up approx. € 41 million vs H1 2018.
- The growth in **E-commerce** continues with +27.9% vs H1 2018.
- **Esselunga remains at the top ranking for price competitiveness** with 2.5% below the market average (Source NRPS Nielsen, Trading Area).
- **Adjusted EBITDA** <sup>(i)</sup> at € 379.4 million (9.4%) compared to € 407,8 million (10.4%) in the first half of the 2018, a decrease in line with the budget being the result of a trading and marketing strategy aimed to the best competitive positioning for Clients.
- **Adjusted Operating Profit** <sup>(i)</sup> at € 229.8 million (5.7%) compared to € 267.8 million (6.8%) in the same period of the 2018.
- **Adjusted Net Profit** <sup>(i)</sup> decreased from € 184.5 million (4.7%) to € 152.5 million (3.8%).
- **Capital expenditures** were € 118 million.
- **Comparable Net Debt** was € 412 million with an improvement of more than € 23 million and it is summarized below:

	As of June 30, 2019	As of December 31, 2018
<b>Net Debt excluding IFRS 16 (A)</b>	<b>60.3</b>	<b>435.7</b>
Payments due on June 30 but paid on July 1 (B)	351.7	0.0
<b>Comparable Net Debt (A+B)</b>	<b>412.0</b>	<b>435.7</b>
IFRS 16 "Leases" (C)	335.2	336.4
<b>Net Debt (A+C)</b>	<b>395.5</b>	<b>772.1</b>

<sup>(i)</sup> The adjustments to EBITDA, Operating Profit and Net Profit neutralize the effect of fair value accounting of prize-giving promotions and the effect relating to the application of IFRS 16 "Leases" from 1<sup>st</sup> January 2019.

Limite di Pioltello, 28<sup>th</sup> of August 2019

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***ESSELUNGA** is one of the leading Italian chains in the large-scale retailing sector, operating through a network of over 158 superstores and supermarkets 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 23,000 employees and revenue of € 7.9 billion.*

## Esselunga Group

### Adjusted Financial Performance as of June 30, 2019 (€ million)

Income Statement	First Half 2019	%	First Half 2018	%
<b>TOTAL SALES</b>	4,025.2	+2.9	3,911.7	
<b>ADJUSTED EBITDA</b>	379.4	9.4	407.8	10.4
<b>ADJUSTED OPERATING PROFIT</b>	229.8	5.7	267.8	6.8
<b>ADJUSTED NET INCOME</b>	152.5	3.8	184.5	4.7

The adjustments to the **EBITDA** neutralize:

- the recognition at fair value of prize-giving promotions whose impact amounts to € 0.9 million for the First Half 2019 and € 21.1 million for the First Half 2018;
- the effect related to the application of new IFRS 16 “Leases” whose impact amounts to € 15.0 million for the First Half 2019 and € 15.4 million for the First Half 2018.

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” whose impacts amount to € 11.2 million for the First Half 2019 and €10.2 million for the First Half 2018.

## Financial Performance as of June 30, 2019 - not adjusted.

### Consolidated Income Statement and Net Debt (€ million)

Income Statement	First Half 2019	%	First Half 2018 Restated *	%
<b>TOTAL SALES</b>	4,025.2	+2.9	3,911.7	
<b>EBITDA</b>	393.5	9.8	402.1	10.3
<b>EBIT</b>	232.7	5.8	251.9	6.4
<b>NET INCOME</b>	150.9	3.7	169.2	4.3
<b>NET DEBT</b>	395.5		1,053.6	

### Consolidated Balance Sheet (€ million)

Balance Sheet	As of June 30, 2019	As of December 31, 2018 Restated *
Non-current assets	4,923.2	4,993.0
Current assets	2,185.2	1,819.8
<b>TOTAL ASSETS</b>	<b>7,108.4</b>	<b>6,812.8</b>
Shareholders' equity	3,228.4	3,082.7
Non-current liabilities	1,876.4	1,898.7
Current liabilities	2,003.6	1,831.4
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>7,108.4</b>	<b>6,812.8</b>

### Consolidated Cash Flow Statement (€ million)

Cash Flow Statement	First Half 2019	First Half 2018 Restated *
Cash Flow from operations	605.1	316.8
Cash Flow from investing activities	-151.6	-142.0
Cash Flow from financing activities	-18.2	-28.1
Income Tax paid	-58.7	-23.9
<b>NET CASH FLOW</b>	<b>376.6</b>	<b>122.8</b>
Net Debt at the beginning of the year before application of IFRS 16	435.7	847.5
Application of IFRS 16 Leases (Debt + Accrued expense)	336.4	328.9
<b>NET DEBT AT THE BEGINNING OF THE YEAR</b>	<b>772.1</b>	<b>1,176.4</b>
<b>NET CASH FLOW DURING THE PERIOD</b>	<b>376.6</b>	<b>122.8</b>
<b>NET DEBT AT THE END OF THE YEAR (with IFRS 16)</b>	<b>395.5</b>	<b>1,053.6</b>

\* Following the application of the IFRS 16 the 2018 data have been restated to facilitate the comparability.