

## ESSELUNGA GROUP: PRELIMINARY RESULTS FULL YEAR 2018

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### Esselunga Group – Preliminary Results Full Year 2018

**Sales up 2.1% up to € 7,914 million.**

**Total savings granted to Customers of nearly € 1.5 billion.**

**Halves Net Financial Position, € -436 million at 2018-end.**

On the 19th of February 2019, the Board of Directors of Esselunga has examined in Limito di Pioltello the 2018 Preliminary Results, summarized as follows:

- **In 2018 the Esselunga Group made sales totalling € 7,914 million, up by 2.1% vs € 7,754 million in 2017.** This result has been achieved keeping the prices unchanged (zero inflation), even in a market characterized by a negative change in consumer behavior especially in the second half of 2018, as confirmed by the decrease of 1.2% (Source IRI) of the market in the trading area.
- **Esselunga remains at the top ranking for competitiveness** (shelf prices) positioning 3% below the market average (Source NRPS Nielsen, Trading Area).
- **Savings granted to Customers totalled almost € 1.5 billion**, up by around € 90 million compared to 2017.
- **The growth in E-Commerce continues, exceeding € 236 million in sales, reporting +28% vs 2017**, representing approx. the 3% of the total sales.
- **Adjusted EBITDA** (to neutralize the effect of fair value accounting of prize-giving promotions) amounted to € 710.2 million (9%) compared to € 647.9 million (8.4%) in 2017.
- **Adjusted Operating Profit** came to € 422.9 million (5.3%) compared to € 420.6 million (5.4%) in 2017.
- **Adjusted Net Profit** totalled € 286.6 million (3.6%) compared to € 305.8 million (3.9%) in 2017.
- **Net financial position was € -436 million** (€ -848 million in 2017). The **Net Financial Position/EBITDA ratio** was approx. 0.6x.
- Average headcount reached **23,560 people, an increase of 451 vs 2017.**

- During 2018 the **Pistoia Porta Nuova (with the closure of Viale Matteotti store)**, **Vimercate** (with the closure of the existing one) and **Milano Famagosta** stores were opened. The **Verona Corso Milano** store was reopened following a thorough renovation and expansion. The Pistoia Viale Matteotti store was closed for renovation.
- **Capital expenditures** totalled € 320 million. During 2018 some real estate initiatives have been postponed due to the delay in the administrative procedures and the relative licenses.

Limite di Pioltello, 19th of February 2019

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**ESSELUNGA** is one of the leading Italian chains in the large-scale retailing sector, operating through a network of 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 more than € 7.9 billion.

**Esselunga Group**

**Financial performance as of December, 31 2018**

### Consolidated Adjusted Income Statement (€ million)

INCOME STATEMENT	Full Year 2018	%	Full Year 2017	%
TOTAL SALES	7,913.9	+2.1	7,753.8	
ADJUSTED EBITDA	710.2	9.0%	647.9	8.4%
ADJUSTED OPERATING PROFIT	422.9	5.3%	420.6	5.4%
ADJUSTED NET INCOME	286.6	3.6%	305.8	3.9%

The adjustments to **EBITDA, Operating Profit and Net Income** neutralized to the recognition at fair value of prize-giving promotions, which amounts to € 14.5 million in 2018 and € 9.7 million in 2017.

### Consolidated Income Statement and Net Financial Position (€ million)

INCOME STATEMENT	Full Year 2018	%	Full Year 2017	%
TOTAL SALES	7,913.9	+2.1%	7,753.8	
EBITDA	695.7	8.8%	638.2	8.2%
OPERATING PROFIT	408.4	5.2%	410.9	5.3%
NET INCOME	276.2	3.5%	298.8	3.9%

  

NET FINANCIAL POSITION	-435.7		-847.5	
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### Consolidated Balance Sheet (€ million)

BALANCE SHEET	As of December 31, 2018	As of December 31, 2017
Non-current assets	4,675.7	4,656.5
Current assets	1,824.8	1,459.8
Available for sale assets	0.0	6.6
<b>TOTAL ASSETS</b>	<b>6,500.5</b>	<b>6,122.9</b>
Shareholders' equity	3,097.3	2,819.8
Non-current liabilities	1,586.5	1,603.9
Current liabilities	1,816.7	1,699.2
<b>TOTAL LIABILITIES and SHAREHOLDERS' EQUITY</b>	<b>6,500.5</b>	<b>6,122.9</b>

### Consolidated Cash Flow Statement (€ million)

<b>CASH FLOW STATEMENT</b>	<b>As of December 31 2018</b>	<b>As of December 31 2017</b>
Cash Flow from operations	735.5	659.8
Cash Flow from investing activities	-287.9	-1,409.5
Cash Flow from financing activities	-29.4	-24.8
Dividends paid	-4.0	-3.0
Income Tax paid	-2.4	-106.1
Change in the consolidation area	0	91.6
<b>NET CASH FLOW</b>	<b>411.8</b>	<b>-792.0</b>
<b>NET DEBT AT THE BEGINNING OF THE YEAR</b>	<b>-847.5</b>	<b>-55.5</b>
<b>NET CASH FLOW DURING THE YEAR</b>	<b>411.8</b>	<b>-792.0</b>
<b>NET DEBT AT THE END OF THE YEAR</b>	<b>-435.7</b>	<b>-847.5</b>