



Esselunga Group:
Board of Directors approved the draft of the Financial Statements and
Group Consolidated Report as of 31 December 2022

On 28 March 2023, the Board of Directors of Esselunga reviewed and approved the draft of the Financial Statements and Group Consolidated Report as of 31 December 2022.

During 2022:

- Esselunga finalized the corporate reorganization **acquiring the 32.5% of La Villata** from Unicredit for € 435 million.
- Following this transaction the Esselunga Group companies are entirely owned by the Shareholders.
- In addition, Esselunga **opened 8 stores**, of which 4 laESSE and one “Le Eccellenze di Esselunga” dedicated to Elisenda patisserie and delicatessen in Via Spadari in Milan.
- Esselunga **invested € 377.4 million**.
- Esselunga has committed to **protecting its customers’ purchasing power** during the **worsening cost of living crisis**.
 - Specifically, from 11 November 2021 to 30 April 2022, Esselunga made **the strategic choice to significantly reduce shelf prices**, with a view to sharpen its competitive edge and further strengthen its established reputation for value with customers. On over 1,500 of the items most frequently bought by customers Esselunga cut prices in stores in all locations, with reductions of between 6 and 8 percent against the soaring inflation.
 - 2022 was characterized by **a strong inflationary pressure**, which generated a significant increase in the suppliers’ price lists, while Esselunga continued to apply shelf prices below the competition.

At a glance:

- Esselunga Group generated **Sales totalling € 8,835.5 million, up by 3.2%** compared to 2021, accelerating in the second half of 2022 with a 6.7% growth.
- Shelf prices showed **a 5.5% increase** against the ca. **9% suppliers’ inflation**.
- **EBITDA** amounted to **€ 501.4 million (5.7% of sales)** down compared to € 689.7 million (8.1%) in 2021. The expected EBITDA decrease is driven by:

- Lower margin due to the **strategic** choice of cutting prices in the interest of customers
 - Relevant increase of **costs for products for resale, commodities and utilities**
 - Thanks to the Government Law Decree no. 176/2022 Esselunga paid **an extra bonus to its employees** for € 11 million
 - Positive one-off effect in 2021 coming from the closing of the five-year “Fidaty” loyalty program.
- **EBIT** amounted to **€ 133.8 million (1.5%)** down compared to € 322.7 million (3.8%) in 2021.
- **Net Profit** amounted to **€ 63.8 million (0.7%)** down compared to € 266.5 million (3.1%) in 2021, which benefitted from lower taxes for € 65 million (so-called Riallineamento Fiscale) according to Law Decree no.104/2020.
- **Adjusted Net Financial Position** was **€ -1,388.0 million**, including the acquisition of La Villata shares for € 444.2 million. Excluding the aforementioned transaction, the Net Financial Position **would improve by € 297 million**.

Net Financial Position <i>(€ million)</i>	31.12.2022	31.12.2021	Change
Net Financial Position	(1,915.0)	(1,776.7)	(138.3)
Operating Leases (IFRS 16)	467.5	476.5	(8.9)
Fidaty Oro receivables	59.5	59.5	0,0
Adjusted Net Financial Position	(1,388.0)	(1,240.8)	(147.2)

- The average **workforce** was **25,198** people.
- The Board of Directors of Esselunga today approved also the Non-Financial Information as of 31 December 2022 prepared pursuant to Legislative Decree no. 254/2016.
- The draft of the Financial Statements as of 31 December 2022 approved today by the Board of Directors will be submitted to the Annual Shareholders’ Meeting to be held by April 2023.

Limito di Pioltello, 28 March 2023

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ESSELUNGA is one of the leading Italian food retailers, operating through a network of more than 180 superstores, supermarkets and new LaESSE stores, 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 ca. 25,000 employees and more than € 8.8 billion revenue. Esselunga has 5.5 million loyal clients and it's an example of quality and innovation with a daily commitment to sustainability.

Financial Performance as of 31 December 2022

Income Statement <i>(€ million)</i>	31.12.2022	31.12.2021
Total Sales	8,835.5 +3.2%	8,561.2
EBITDA	501.4 5.7%	689.7 8.1%
EBIT	133.8 1.5%	322.7 3.8%
Net Profit	63.8 0.7%	266.5 3.1%

Consolidated Statement of Financial Position <i>(€ million)</i>	31.12.2022	31.12.2021
Non-current assets	5,325.1	5,272.4
Current assets	1,557.6	1,544.1
ASSETS	6,882.7	6,816.4
Total shareholders' Equity	1,872.8	2,221.9
Non-current liabilities	2,220.5	2,656.5
Current liabilities	2,789.5	1,937.9
SHAREHOLDERS' EQUITY AND LIABILITIES	6,882.7	6,816.4

Consolidated cash flow statement <i>(€ million)</i>	31.12.2022	31.12.2021
Net Financial Position at beginning of period	(1,776.7)	(1,875.8)
Cash Flow from operations	698.6	696.4
Cash Flow from investing activities	(382.9)	(548.7)
Acquisition of the 32.5% of La Villata shares	(435.0)	-
Cash Flow from financing activities	25.1	(32.6)
Dividends paid	(44.2)	(16.0)
Net Cash flow during the period	(138.3)	99.1
Net Financial Position at end of period	(1,915.0)	(1,776.7)