



ESPRINET ACQUIRES 100% OF GTI, THE LEADING DISTRIBUTOR OF CLOUD SOFTWARE AND SOLUTIONS IN SPAIN

Confirmed commitment to growth in the advanced solutions value segment

Vimercate (Monza Brianza), 19 June 2020 - Esprinet S.p.A. (PRT:IM) announces that it has signed a binding agreement for the acquisition of 100% of the capital of GTI Software y Networking S.A. (hereinafter "GTI" or the "GTI Group"). The structure of the transaction envisages that the acquisition will be carried out through the sub-holding for Spanish operations, Esprinet Iberica S.l.u.

The GTI Group is the number-one distributor of value-added reseller and system integrator cloud software and solutions in Spain and the sixth in absolute terms of revenues. Established in 1985, GTI is based in Madrid and is also active in Portugal and North Africa. With over 170 employees¹ and a portfolio of 5,500 customers, GTI is an official partner to more than 90 world-class suppliers including Microsoft, Adobe, Red Hat, VMWare, IBM, Veeam, Veritas and Zebra-Motorola.

Since 2017, GTI has gradually abandoned the distribution of hardware products to the retail channel to focus on the business reseller channel to which it offers a range of value-added software solutions both under license and in "pay-per-use" mode.

In the six months ended 31 March 2020, the sale of hardware accounts for only 30% of total sales and is mainly represented by high value-added hardware products in the automatic identification and data capture segments in which GTI is the market leader in Spain.

In the year ended 30 September 2019, sales of SaaS cloud solutions amounted to Euro 62.4 million (34% of the total), up sharply from the previous year (+45%). Sales of "on-premise" software amounted to Euro 52.9 million (29% of the total).

GTI's business model has several peculiar features, largely resulting from the readjustment of activities towards business software solutions and cloud services: recurring and consistent sales thanks to subscription plans, high scalability guaranteed by the provisioning platform, with which customers define offers online for their customers and a favourable working cycle compared to traditional business thanks to the absence of inventories.

The transaction is consistent with the Esprinet Group's strategy of consolidating its leadership in southern Europe, particularly in the advanced solutions segment, and establishing itself as a key player in the software as a service ("SaaS") and infrastructure as a service ("IaaS") segments, in line with the progressive affirmation of a pay-per-use technology sales model compared to the traditional transactional method.

¹ Average figure for the year ended 30 September 2019 including temporary workers



According to Context/IDC estimates, the European public cloud and related services market stood at USD 46 billion in 2019 and is expected to grow to USD 100 billion in 2023 thanks to a CAGR of +22%.

The weight of Italy and Spain together, in a market mainly represented by SaaS solutions, is approximately 11%².

In the six months ended 31 March 2020, the GTI Group reported revenues of Euro 91.0 million and EBITDA of Euro 1.9 million (2.1% EBITDA margin). For the full year ended 30 September 2019, adjusted EBITDA³ amounted to Euro 3.4 million out of total revenues of Euro 179.9 million. Net financial indebtedness at 31 March 2020 amounted to Euro 9.8 million (Euro 17.6 million at 30 September 2019).

The total consideration for the acquisition of 100% of the shareholding is Euro 33.8 million and will be paid on a cash basis at closing using available resources.

The execution of the agreement is subject to the necessary anti-trust authorisations in countries affected by the concentration and is estimated to take place by 30 September 2020.

Alessandro Cattani, CEO of ESPRINET: *"With the GTI Group acquisition we significantly strengthen our presence in southern Europe by becoming the second largest player in the advanced solutions segment in both Italy and Spain and increasing our 2019 pro-forma sales in the advanced solutions segment to approximately Euro 750 million. The transaction has a formidable strategic value: it strengthens us in a segment with high profitability, allows for a major leap in quality in the software segment in Spain and is a milestone in our development path towards the sale of multi-cloud solutions. With the entry into the Group of the highly specialised GTI team, we enrich our expertise in the management of "as a service" distribution platforms by integrating replicable best-practices in relation to our current customers in Spain and Italy".*

Esprinet was supported by EY as a financial advisor, Gómez-Acebo & Pombo Abogados as a legal advisor and Landwell-PricewaterhouseCoopers Tax & Legal Services as a tax advisor.

The **Esprinet Group (PRT:IM – ISIN IT0003850929)** is the leading company in southern Europe in the distribution of information technology and consumer electronics to IT resellers, VAR, system integrators, specialised stores, retailers and e-commerce portals. With a consolidated turnover in 2019 of around Euro 4 billion, Esprinet ranks in the top 50 Italian industrial groups and in the top 10 distributors worldwide. Thanks to the work of its 1,300 employees and a business model based on the coexistence of different sales channels tailored to the specific characteristics of over 30,000 reseller customers, Esprinet markets approximately 130,000 different products from more than 650 worldwide producers through 140,000 square metres of managed warehouses in Italy, Spain and Portugal.

Press release available on www.emarketstorage.com and www.esprinet.com

[For more information:](#)

INVESTOR RELATIONS

ESPRINET S.p.A.

² Source: Context/IDC

³ Net of personnel restructuring charges of Euro 0.5 million



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