Press release in accordance with Consob Regulation no. 11971/99

Esprinet: 2018 Draft Annual Report approved

Proposed dividend of € 0.135 per share

2018 Consolidated Full Year Results

Sales from contracts with customers: € 3,571.2 million (+11% vs € 3,217.2 million in 2017)
Gross profit: € 162.3 million (-3% vs € 167.8 million in 2017)
Operating income (EBIT): € 23.7 million (-31% vs € 34.3 million in 2017)
Recurring operating income (EBIT): € 41.0 million (+13% vs € 36.2 million in 2017)
Net income: € 14.2 million (-46% vs € 26.3 million in 2017)

Net financial position as at 31 December 2018 positive by € 241.0 million
(vs Net financial position as at 31 December 2017 positive by € 123.1 million)

Vimercate (Monza Brianza), 1 April 2019 - The Board of Directors of Esprinet S.p.A. (Italian Stock Exchange: PRT) met today under the chairmanship of Maurizio Rota to examine and approve the draft of the separated and the consolidated financial statements for the fiscal year ended at 31 December 2018, both prepared in accordance with IFRS standards, which close with a net result of € -1.0 million and € 14.2 million respectively. Basic earnings per ordinary share is equal to € 0.27.
The Board of Directors will propose to the Annual Shareholders' Meeting the distribution of a dividend of € 0.135 per ordinary share, by using the available Extraordinary Reserve[1], corresponding to a pay-out ratio of 49%[2].

The statement for the period ending at 31 December 2018 is still under the revision of Independent Auditor and it is at disposal of the Board of Statutory Auditor.
By 16 April 2019 it will be available by the company headquarte, on the company internet site www.esprinet.com ('Investor Relation', section 'Financial Data') and with further publication pursuant to the applicable law, as well as the Report of Statutory Auditor and the Report of Independent Auditor.

The Board of Director also approved the Corporate Governance Report and the Report on Remuneration, both prepared in accordance with the art. 123-bis of the TUF, and the Consolidated disclosure of non-financial information in accordance with Italian Legislative Decree 254/2016. These documents will be sent to Borsa Italiana and will be available by the company headquarter, on the company internet site www.esprinet.com ('Investor Relation') and with further publication pursuant to the applicable law at the time of the publication of this statement.

A) Esprinet Group's financial highlights

In 2018, the Esprinet Group recorded positive performance in terms of sales growth (+11%) and in recurring operating profitability (+12%).
This fiscal year was however negatively impacted by non-recurring items related to the winding-up of the main supplier of the 'Sport Technology' line and by the negative gross profit recorded in November and December on these product lines (please refer to 'Significant events occurring in the period' - winding up of the supplier of the 'Sport Technology' line, related extraordinary charges and dispute').
This business area is currently under restructuring to ensure a return to a positive contribution to the Group results starting from the current fiscal year.

As at 31 December 2018, the Group net financial position includes € 101.5 million referring to a five-year senior loan granted to Esprinet S.p.A. by a pool of banks in February 2017.
As at 31 December 2018 according to the Group results, 1 out of 4 covenants supporting the loan expiring in February 2022 is expected to be unmet. Thus, the entire outstanding amount of the amortised facility - as

[1] This corresponds to a dividend yield of 4.19% with reference to official closing price of Esprinet shares (PRT.MI) on 29 March 2019 (€3.22).
[2] Based on consolidated net profit of the Esprinet Group.

well as the liability from the 'fair value' of 'IRS-Interest Rate Swap' contracts signed to hedge the interest rate risk - was booked under current financial liabilities (please refer to 'Significant events occurring in the period - Breach of financial covenants on Facility Agreements').

The Group's main earnings, financial and net assets position as at 31 December 2018, as well as the detail of non-recurring items at the same date, are as follows:

(euro/000)	2018	%	2017	%	Var.	Var. %	2018 Recurring	%	2017 Recurring	%	Var.	Var. %
Sales from contracts with customers	**3,571,190**	**100.00%**	**3,217,172**	**100.00%**	**354,018**	***11%***	**3,571,190**	**100.00%**	**3,217,172**	**100.00%**	**354,018**	***11%***
Cost of sales	(3,408,918)	-95.46%	(3,049,409)	-94.79%	(359,509)	*12%*	(3,400,501)	-95.22%	(3,049,409)	-94.79%	(351,092)	*12%*
Gross profit	**162,272**	**4.54%**	**167,763**	**5.21%**	**(5,491)**	***-3%***	**170,689**	**4.78%**	**167,763**	**5.21%**	**2,926**	***2%***
Sales and marketing costs	(52,792)	-1.48%	(53,800)	-1.67%	1,008	*-2%*	(52,792)	-1.48%	(53,800)	-1.67%	1,008	*-2%*
Overheads and administrative costs	(76,287)	-2.14%	(77,548)	-2.41%	1,261	*-2%*	(76,287)	-2.14%	(75,709)	-2.35%	(578)	*1%*
Impairment loss/reversal of financial assets	(9,473)	-0.27%	(2,068)	-0.06%	(7,405)	*358%*	(650)	-0.02%	(2,068)	-0.06%	1,418	*-69%*
Operating income (EBIT)	**23,720**	**0.66%**	**34,347**	**1.07%**	**(10,627)**	***-31%***	**40,960**	**1.15%**	**36,186**	**1.12%**	**4,774**	***13%***
Finance costs - net	(4,541)	-0.13%	(749)	-0.02%	(3,792)	*506%*	(4,541)	-0.13%	(749)	-0.02%	(3,792)	*506%*
Other investments expenses / (incomes)	-	0.00%	36	0.00%	(36)	*-100%*	-	0.00%	36	0.00%	(36)	*-100%*
Profit before income taxes	**19,179**	**0.54%**	**33,634**	**1.05%**	**(14,455)**	***-43%***	**36,419**	**1.02%**	**35,473**	**1.10%**	**946**	***3%***
Income tax expenses	(5,021)	-0.14%	(7,355)	-0.23%	2,334	*-32%*	(9,422)	-0.26%	(7,833)	-0.24%	(1,589)	*20%*
Net income	**14,158**	**0.40%**	**26,279**	**0.82%**	**(12,121)**	***-46%***	**26,997**	**0.76%**	**27,640**	**0.86%**	**(643)**	***-2%***
Earnings per share - basic (euro)	0.27		0.51		(0.24)	*-47%*	0.52		0.53		(0.01)	*-2%*

(euro/000)	Non -recurring Charge Type	2018	2017	Var.
Gross Profit		**(8,417)**	**-**	**(8,417)**
Overheads and administrative costs	Employee termination incentives	-	(1,839)	1,839
Impaiment loss/reversal of financial assets	Value adjustments on receivables from suppliers	(8,823)	-	(8,823)
Total SG&A	**Total SG&A**	**(8,823)**	**(1,839)**	**(6,984)**
Operating Income (EBIT)	**Operating Income (EBIT)**	**(17,240)**	**(1,839)**	**(15,401)**
Profit/(loss) before income taxes	**Profit/(loss) before income taxes**	**(17,240)**	**(1,839)**	**(15,401)**
Income tax expenses	Non -recurring events impact	4,401	478	3,923
Net income/(loss)	**Net income/(loss)**	**(12,839)**	**(1,361)**	**(11,478)**

- **Sales from contracts with customers**, equal to € 3,571.2 million, showed an increase of +11% (€ 354.0 million) compared with € 3,217.2 million as of 31 December 2017;

- **Consolidated gross profit**, equal to € 162.3 million, showed a decrease of -3% (+2% if excluding non-recurring cost items) equal to € -5.5 million compared with 2017 as a consequence of a worsening in the gross profit margin from 5.21% to 4.54% (4.78% if excluding non-recurring cost items) not completely offset by the sales growth. The non-recurring negative items, equal to € 8.4 million are both from a steep and unexpected fall in end-user prices on some product families of 'Sport Technology' line which, also as consequence of the lack of price protection provided by the supplier, led to experience a severe impact on gross profit, as well as from estimate charges for the Group relating to return of products under warranties and to dispute on mutual contractual rights;

- **Operating income (EBIT)** as at 31 December 2018, equal to € 23.7 million, showed a reduction of -31% compared with 31 December 2017 (€ 34.3 million), with an EBIT margin down to 0.66% from 1.07%, due to a reduction in the gross profit margin and to non-current negative items, equal to € 17.2 million, which are attributable to impacts on gross margin for € 8.4 million and to adjustments with respect to receivables from the supplier of the 'Sport Technology' line in voluntary liquidation for € 8.8 million (advances on purchasing, repurchase of products under contractual warranty agreements, price repositioning);

- Excluding the above-mentioned non-recurring costs, **current EBIT** showed an increase of +13% compared with the corresponding period of previous year, with an EBIT margin up to 1.15% in 2018 from 1.12% in 2017;

- **Consolidated profit before income taxes**, equal to € 19.2 million, showed a reduction of -43% compared with 31 December 2017 (+3% excluding non-recurring cost items); this change is more remarkable than the EBIT decrease mainly due to a negative change in foreign exchange management with, conversely, an improvement in net interest payable to banks;

- **Consolidated net income** was equal to € 14.2 million, showing a decrease of -46% (-2% excluding non-recurring costs) compared with 31 December 2017;

- **Basic earnings per ordinary share** as at 31 December 2018, equal to € 0.27, showed a reduction of -47% (-2% if excluding non-recurring charges) compared with 31 December 2017 (€ 0.51).

(euro/000)	31/12/2018	%	31/12/2017	%	Var.	*Var. %*
Fixed assets	118,502	116.34%	122,403	56.90%	(3,901)	*-3%*
Operating net working capital	10,443	10.25%	104,175	48.42%	(93,732)	*-90%*
Other current assets/liabilities	(12,667)	-12.44%	2,958	1.38%	(15,625)	*-528%*
Other non-current assets/liabilities	(14,424)	-14.16%	(14,406)	-6.70%	(18)	*0%*
Total uses	**101,855**	**100.00%**	**215,130**	**100.00%**	**(113,276)**	***-53%***
Short-term financial liabilities	138,311	135.79%	155,960	72.50%	(17,649)	*-11%*
Current financial (assets)/liabilities for derivatives	610	0.60%	663	0.31%	(53)	*-8%*
Financial receivables from factoring companies	(242)	-0.24%	(1,534)	-0.71%	1,292	*-84%*
Current debts for investments in subsidiaries	1,082	1.06%	-	0.00%	1,082	*N.S.*
Other current financial receivables	(10,881)	-10.68%	(510)	-0.24%	(10,371)	*2035%*
Cash and cash equivalents	(381,308)	-374.37%	(296,969)	-138.04%	(84,339)	*28%*
Net current financial debt	(252,428)	-247.83%	(142,390)	-66.19%	(110,038)	*77%*
Borrowings	12,804	12.57%	19,927	9.26%	(7,123)	*-36%*
Non - current debts for investments in subsidiaries	-	0.00%	1,311	0.61%	(1,311)	*-100%*
Non-current financial (assets)/liab. for derivatives	-	0.00%	(36)	-0.02%	36	*-100%*
Other non - current financial receivables	(1,420)	-1.39%	(1,870)	-0.87%	450	*-24%*
Net financial debt (A)	(241,044)	-236.65%	(123,058)	-57.20%	(117,986)	*96%*
Net equity (B)	342,898	336.65%	338,188	157.20%	4,710	*1%*
Total sources of funds (C=A+B)	**101,855**	**100.00%**	**215,130**	**100.00%**	**(113,276)**	***-53%***

- **Operating net working capital** as at 31 December 2018 was equal to € 10.4 million compared with € 104.2 million as at 31 December 2017;

- **Net financial position** as at 31 December 2018 was positive by € 241.0 million, compared with a cash surplus equal to € 123.1 million at 31 December 2017.
  Increase of spot net cash surplus was due to the development of consolidated net working capital as at 31 December 2018, which in turn was influenced by seasonal technical events - often not related to the average level of working capital - and by the level of utilisation of both 'without – recourse' factoring programmes and of the receivables securitisation programmes.

  This program is aimed at transferring risks and rewards to the buyer, thus receivables sold are eliminated from balance sheet according to IFRS 9.

Taking into account other technical forms of cash advances other than 'without-recourse' assignment, but showing the same effects – such as 'confirming' used in Spain –, the overall impact on financial debt at 31 December 2018 was approx. € 597 million (approx. € 424 million as at 31 December 2017);

As at 31 December 2018, the Group net financial position includes € 101.5 million referring to a five-year senior loan granted to Esprinet S.p.A. by a pool of banks in February 2017.
As at 31 December 2018 according to the Group results, 1 out of 4 covenants supporting the loan expiring in February 2022 is expected to be unmet. Thus, the entire outstanding amount of the amortised facility - as well as the liability from the 'fair value' of 'IRS-Interest Rate Swap' contracts signed to hedge the interest rate risk - was booked under current financial liabilities.

- **Consolidated net equity** as at 31 December 2018 equal to € 342.9 million, showed an increase of € 4.7 million compared with € 338.2 million as at 31 December 2017.

B) Esprinet S.p.A. financial highlights

The Esprinet S.p.A. main earnings, financial and net assets position, as well as the detail of non-recurring items at the same date, are as follows:

(euro/000)	2018	%	2017	%	Var.	Var. %	2018 Recurring	%	2017 Recurring	%	Var.	Var. %
Sales from contracts with customers	2,267,797	100.00%	1,917,559	100.00%	350,238	18%	2,267,797	100.00%	1,917,559	100.00%	350,238	18%
Cost of sales	(2,166,521)	-95.53%	(1,819,846)	-94.90%	(346,675)	19%	(2,160,441)	-95.27%	(1,819,846)	-94.90%	(340,595)	19%
Gross profit	**101,276**	**4.47%**	**97,713**	**5.10%**	**3,563**	**4%**	**107,356**	**4.73%**	**97,713**	**5.10%**	**9,643**	**10%**
Sales and marketing costs	(36,419)	-1.61%	(30,181)	-1.57%	(6,238)	21%	(36,419)	-1.61%	(30,181)	-1.57%	(6,238)	21%
Overheads and administrative costs	(53,028)	-2.34%	(49,890)	-2.60%	(3,138)	6%	(53,028)	-2.34%	(49,655)	-2.59%	(3,373)	7%
Impairment loss/reversal of financial assets	(9,266)	-0.41%	(1,246)	-0.06%	(8,020)	644%	(443)	-0.02%	(1,246)	-0.06%	803	-64%
Operating income (EBIT)	**2,563**	**0.11%**	**16,396**	**0.86%**	**(13,833)**	**-84%**	**17,466**	**0.77%**	**16,631**	**0.87%**	**835**	**5%**
Finance costs - net	(3,457)	-0.15%	(1,880)	-0.10%	(1,577)	84%	(3,457)	-0.15%	(1,880)	-0.10%	(1,577)	84%
Profit before income taxes	**(894)**	**-0.04%**	**14,516**	**0.76%**	**(15,410)**	**-106%**	**14,009**	**0.62%**	**14,751**	**0.77%**	**(742)**	**-5%**
Income tax expenses	(136)	-0.01%	(3,906)	-0.20%	3,770	-97%	(3,950)	-0.17%	(3,971)	-0.21%	21	-1%
Net Result	**(1,030)**	**-0.05%**	**10,610**	**0.55%**	**(11,640)**	**-110%**	**10,059**	**0.44%**	**10,780**	**0.56%**	**(721)**	**-7%**

(euro/000)	Non -recurring Charge Type	2018	2017	Var.
Gross Profit		**(6,080)**	**-**	**(6,080)**
Overheads and administrative costs	Employee termination incentives	-	(235)	235
Impaiment loss/reversal of financial assets	Value adjustments on receivables from suppliers	(8,823)	-	(8,823)
Total SG&A	**Total SG&A**	**(8,823)**	**(235)**	**(8,588)**
Operating Income (EBIT)	**Operating Income (EBIT)**	**(14,903)**	**(235)**	**(14,668)**
Profit/(loss) before income taxes	**Profit before income taxes**	**(14,903)**	**(235)**	**(14,668)**
Income tax expenses	Non -recurring events impact	3,814	65	3,749
Net income/(loss)	**Net income/(loss)**	**(11,089)**	**(170)**	**(10,919)**

Since the merger by incorporation of EDSlan S.r.l. and Mosaico S.r.l. into Esprinet S.p.A. occurred with effect from 1 January 2018, for the sake of a better comparability, find below the Esprinet S.p.A. 'pro-forma' values as at 31 December 2017, restated in order to show the merger effects from 1 January 2017;

(euro/000)	2018	%	2017 Pro-forma	%	Var.	Var. %	2018 Recurring	%	2017 Recurring Pro-forma	%	Var.	Var. %
Sales from contracts with customers	**2,267,797**	100.00%	**2,010,742**	100.00%	**257,055**	*13%*	**2,267,797**	100.00%	**2,010,742**	100.00%	**257,055**	*13%*
Cost of sales	(2,166,521)	-95.53%	(1,901,506)	-94.57%	(265,015)	*14%*	(2,160,441)	-95.27%	(1,901,506)	-94.57%	(258,935)	*14%*
Gross profit	**101,276**	**4.47%**	**109,236**	**5.43%**	**(7,960)**	***-7%***	**107,356**	**4.73%**	**109,236**	**5.43%**	**(1,880)**	***-2%***
Sales and marketing costs	(36,419)	-1.61%	(35,726)	-1.78%	(693)	*2%*	(36,419)	-1.61%	(35,726)	-1.78%	(693)	*2%*
Overheads and administrative costs	(53,028)	-2.34%	(53,333)	-2.65%	305	*-1%*	(53,028)	-2.34%	(52,742)	-2.62%	(286)	*1%*
Impairment loss/reversal of financial assets	(9,266)	-0.41%	(1,648)	-0.08%	(7,618)	*462%*	(443)	-0.02%	(1,648)	-0.08%	1,205	*-73%*
Operating income (EBIT)	**2,563**	**0.11%**	**18,529**	**0.92%**	**(15,966)**	***-86%***	**17,466**	**0.77%**	**19,120**	**0.95%**	**(1,654)**	***-9%***
Finance costs - net	(3,457)	-0.15%	(2,246)	-0.11%	(1,211)	*54%*	(3,457)	-0.15%	(2,246)	-0.11%	(1,211)	*54%*
Profit before income taxes	**(894)**	**-0.04%**	**16,283**	**0.81%**	**(17,177)**	***-105%***	**14,009**	**0.62%**	**16,874**	**0.84%**	**(2,865)**	***-17%***
Income tax expenses	(136)	-0.01%	(4,531)	-0.23%	4,395	*-97%*	(3,950)	-0.17%	(4,695)	-0.23%	745	*-16%*
Net Result	**(1,030)**	**-0.05%**	**11,752**	**0.58%**	**(12,782)**	***-109%***	**10,059**	**0.44%**	**12,179**	**0.61%**	**(2,120)**	***-17%***

- **Sales from contracts with customers** equal to € 2,267.8 million, showed an increase of +18% compared with € 1,917.6 million as of 31 December 2017 (+13% compared with 31 December 2017 pro-forma figures);

- **Gross profit**, equal to € 101.3 million, was negatively affected by non-recurring costs of € 6.1 million (previous year: nil). Gross profit, net of non-recurring items, totalled € 107.4 million, showing a reduction of € 1.8 million compared with pro-forma result in 2017, due to a gross profit margin decreased from 5.43% to 4.73%. The non-recurring negative items are both from a steep and unexpected fall in end-user prices on some product families of 'Sport Technology' line which, also as consequence of the lack of price protection provided by the supplier, led to experience a severe impact on gross profit, as well as from estimate charges for the Company relating to return of products under warranties and to dispute on mutual contractual rights;

- **Operating income (EBIT)** as at 31 December 2018, equal to € 2.6 million, was significantly affected by non-recurring costs equal to € 14.9 million (€ 0.2 million in 2018). Excluding the above-mentioned non-recurring costs, which are attributable to impacts on gross margin for € 6.1 million and to adjustments with respect to receivables from the supplier of the 'Sport Technology' line in voluntary liquidation for € 8.8 million (advances on purchasing, repurchase of products under contractual warranty agreements, price repositioning), current Ebit showed a decrease of -9% compared with the pro-forma figures of 2017. While decreasing to 0.77% from 0.95%, Ebit margin showed a significant efficiency enhancement as opposed to a decrease in gross margin (-18bps against -80 bps) as consequence of a lower operating costs weight (3.97% against 4.48% in 2017);

- **Profit before income taxes** was equal to € -0.9 million, compared with a positive result of € 15.4 million occurred in 2017. Excluding non-recurring items and with scope unchanged, profit before income taxes, equal to € 14.0 million (16.9 million in 2017 pro-forma current items), showed a reduction as a percentage on sales, more remarkable than the EBIT decrease mainly due to a negative change in foreign exchange management and to the posting in the previous fiscal year of financial income following positive outcome of a dispute.

- **Net result** amounted to € -1.0 million compared to a net income of € 10.6 million in 2017. Excluding non-recurring items, the net result would have been positive by € 10.1 million, down -17% compared with 2017 pro-forma figures, which is also net of non-recurring items.

(euro/000)	31/12/2018	%	31/12/2017	%	Var.	*Var. %*
Fixed assets	119,848	77.28%	121,233	82.51%	(1,385)	*-1%*
Operating net working capital	(17,095)	-11.02%	(13,417)	-9.13%	(3,678)	*27%*
Other current assets/liabilities	60,358	38.92%	46,654	31.75%	13,704	*29%*
Other non-current assets/liabilities	(8,034)	-5.18%	(7,548)	-5.14%	(486)	*6%*
Total uses	**155,077**	**100.00%**	**146,922**	**100.00%**	**8,155**	***6%***
Short-term financial liabilities	132,744	85.60%	149,263	101.59%	(16,519)	*-11%*
Current financial (assets)/liabilities for derivatives	238	0.15%	644	0.44%	(406)	*-63%*
Financial receivables from factoring companies	(241)	-0.16%	(1,202)	-0.82%	961	*-80%*
Financial (assets)/liab. From/to Group companies	(104,500)	-67.39%	(157,500)	-107.20%	53,000	*-34%*
Customers financial receivables	(10,880)	-7.02%	(510)	-0.35%	(10,370)	*2035%*
Cash and cash equivalents	(173,681)	-112.00%	(165,368)	-112.55%	(8,313)	*5%*
Net current financial debt	(156,320)	-100.80%	(174,673)	-118.89%	18,353	*-11%*
Borrowings	12,804	8.26%	18,163	12.36%	(5,359)	*-30%*
Non-current financial (assets)/liab. for derivatives	-	0.00%	(377)	-0.26%	377	*-100%*
Customers financial receivables	(1,420)	-0.92%	(1,870)	-1.27%	450	*-24%*
Net Financial debt (A)	(144,936)	-93.46%	(158,757)	-108.06%	13,821	*-9%*
Net equity (B)	300,013	193.46%	305,679	208.06%	(5,666)	*-2%*
Total sources of funds (C=A+B)	**155,077**	**100.00%**	**146,922**	**100.00%**	**8,155**	***6%***

- **Operating net working capital** as at 31 December 2018 was equal to € -17.1 million compared with € -13.4 million as at 31 December 2017;

- **Net financial position** as at 31 December 2018 was positive by € 144.9 million, compared with a cash surplus equal to € 158.8 million at 31 December 2017. The impact of both securitization and 'without-recourse' sale to factoring companies of trade receivables as at 31 December 2018 was equal to € 309 million (approx. € 169 million as 31 December 2017). As at 31 December 2018 according to the Group results, 1 out of 4 covenants supporting the loan expiring in February 2022 is expected to be unmet. Thus, the entire outstanding amount of the amortised facility - as well as the liability from the 'fair value' of 'IRS-Interest Rate Swap' contracts signed to hedge the interest rate risk - was booked under current financial liabilities.

- **Net equity** as at 31 December 2018 is equal to € 300.0 million.

C) Separate income statement by legal entity

Please find below the separate income statement showing the contribution of the individual group companies regarded as significant:[3]

(euro/000)	2018													
	Italy						Iberian Peninsula						Elim. and other	Group
	E.Spa + V-Valley + Nilox GmbH	Mosaico	Celly*	EDSlan	Elim. and other	Total	Esprinet Iberian	Esprinet Portugal	V-Valley Iberian	Vinzeo	Elim. and other	Total		
Sales to third parties	2,211,886	-	24,947	-	-	2,236,833	719,269	29,741	12,504	572,844	-	1,334,358	-	3,571,190
Intersegment sales	55,594	-	2,243	-	(734)	57,103	21,741	1	756	3,342	(25,841)	-	(57,103)	-
Sales from contracts with customers	**2,267,480**	**-**	**27,190**	**-**	**(734)**	**2,293,936**	**741,010**	**29,742**	**13,260**	**576,186**	**(25,841)**	**1,334,358**	**(57,103)**	**3,571,190**
Cost of sales	(2,166,935)	-	(15,770)	-	764	(2,181,941)	(715,186)	(29,178)	(12,083)	(553,192)	25,743	(1,283,897)	56,920	(3,408,918)
Gross profit	**100,545**	**-**	**11,420**	**-**	**30**	**111,995**	**25,824**	**564**	**1,177**	**22,994**	**(98)**	**50,461**	**(183)**	**162,272**
Gross Profit %	*4.43%*	*0.00%*	*42.00%*	*0.00%*	*-4.09%*	*4.88%*	*3.48%*	*1.90%*	*8.88%*	*3.99%*		*3.78%*		*4.54%*
Sales and marketing costs	(34,367)	-	(6,862)	-	-	(41,229)	(5,532)	(340)	(1,596)	(4,157)	62	(11,563)	-	(52,792)
Overheads and admin. costs	(53,912)	-	(3,120)	-	-	(57,032)	(12,618)	(752)	(226)	(5,713)	35	(19,272)	17	(76,287)
Impairment loss/reversal of financial assets	(9,265)	-	(83)	-	-	(9,348)	(80)	(1)	(3)	(41)	-	(125)	-	(9,473)
Operating income (Ebit)	**3,001**	**-**	**1,355**	**-**	**30**	**4,386**	**7,594**	**(529)**	**(648)**	**13,083**	**(1)**	**19,501**	**(166)**	**23,720**
EBIT %	*0.13%*	*0.00%*	*4.98%*	*0.00%*	*-4.09%*	*0.19%*	*1.02%*	*-1.78%*	*-4.89%*	*2.27%*		*1.46%*		*0.66%*
Finance costs - net														(4,541)
Share of profits of associates														-
Profit before income tax														**19,179**
Income tax expenses														(5,021)
Net income														**14,158**
- of which attributable to non-controlling interests														127
- of which attributable to Group														14,031

[3] V-Valley S.r.l., (since is a mere 'commission sales agent' of Esprinet S.p.A.) and Nilox Deutschland Gmbh (since not significant) are not shown separately.

(euro/000)	2017													
	Italy						Iberian Peninsula						Elim. and other	Group
	E.Spa + V-Valley	Mosaico	Celly*	EDSlan	Elim. and other	Total	Esprinet Iberica	Esprinet Portugal	V-Valley Iberian	Vinzeo + Tape	Elim. and other	Total		
Sales to third parties	1,854,572	53,556	27,911	55,485	-	1,991,524	633,015	28,258	6,195	558,180	-	1,225,648	-	3,217,172
Intersegment sales	62,961	1,129	1,107	1,846	(20,993)	46,050	20,837	12	-	3,447	(24,296)	-	(46,050)	-
Sales from contracts with customers	**1,917,533**	**54,685**	**29,018**	**57,331**	**(20,993)**	**2,037,574**	**653,852**	**28,270**	**6,195**	**561,627**	**(24,296)**	**1,225,648**	**(46,050)**	**3,217,172**
Cost of sales	(1,820,245)	(49,689)	(17,218)	(50,745)	20,989	(1,916,908)	(627,090)	(27,452)	(5,614)	(542,504)	24,221	(1,178,439)	45,938	(3,049,409)
Gross profit	**97,288**	**4,996**	**11,800**	**6,586**	**(4)**	**120,666**	**26,762**	**818**	**581**	**19,123**	**(75)**	**47,209**	**(112)**	**167,763**
Gross Profit %	*5.07%*	*9.14%*	*40.66%*	*11.49%*	*0.02%*	*5.92%*	*4.09%*	*2.89%*	*9.38%*	*3.40%*		*3.85%*		*5.21%*
Sales and marketing costs	(28,781)	(1,417)	(8,544)	(4,180)	51	(42,871)	(6,171)	(333)	(855)	(3,599)	85	(10,872)	(57)	(53,800)
Overheads and admin. costs	(50,590)	(864)	(3,023)	(2,588)	14	(57,051)	(13,052)	(550)	(255)	(6,698)	(10)	(20,565)	68	(77,548)
Impairment loss/reversal of financial assets	(1,485)	-	(47)	(402)	-	(1,934)	(64)	7	-	(78)	-	(134)	-	(2,068)
Operating income (Ebit)	**16,432**	**2,715**	**186**	**(584)**	**61**	**18,810**	**7,475**	**(58)**	**(529)**	**8,748**	**-**	**15,638**	**(101)**	**34,347**
EBIT %	*0.86%*	*4.96%*	*0.64%*	*-1.02%*	*-0.29%*	*0.92%*	*1.14%*	*-0.21%*	*-8.54%*	*1.56%*		*1.28%*		*1.07%*
Finance costs - net														(749)
Share of profits of associates														36
Profit before income tax														**33,634**
Income tax expenses														(7,355)
Net income														**26,279**
- of which attributable to non-controlling interests														45
- of which attributable to Group														26,234

* Refers to the subgroup made up of Celly S.p.A., Celly Nordic OY and Celly Pacific Limited.

D) Reclassified income statement

Please find below the consolidated income statement showing the reclassification of charges attributable to the without-recourse revolving factoring in the period under the item finance costs (both factoring and securitisazion):

(euro/000)	2018	%	2018 reclassified	%	Var.	Var. %
Sales from contracts with customers	**3,571,190**	**100.00%**	**3,571,190**	**100.00%**	**-**	***0%***
Cost of sales	(3,408,918)	-95.46%	(3,404,049)	-95.32%	(4,869)	*0%*
Gross Profit	**162,272**	**4.54%**	**167,141**	**4.68%**	**(4,869)**	***-3%***
Sales and marketing costs	(52,792)	-1.48%	(52,792)	-1.48%	-	*0%*
Overheads and administrative costs	(76,287)	-2.14%	(76,287)	-2.14%	-	*0%*
Impairment loss/reversal of financial assets	(9,473)	-0.27%	(9,473)	-0.27%	-	*0%*
Operating income (EBIT)	**23,720**	**0.66%**	**28,589**	**0.80%**	**(4,869)**	***-17%***
Finance costs - net	(4,541)	-0.13%	(9,410)	-0.26%	4,869	*-52%*
Profit before income taxes	**19,179**	**0.54%**	**19,179**	**0.54%**	**-**	***0%***
Income tax expenses	(5,021)	-0.14%	(5,021)	-0.14%	-	*0%*
Net income	**14,158**	**0.40%**	**14,158**	**0.40%**	**-**	***0%***

E) Significant events occurring in the period

The significant events that occurred during the period are briefly described as follows:

Grant of waiver and renegotiation of covenant of the 5-year senior loan

On 30 April 2018, Esprinet S.p.A. reached an agreement with the pool of lending banks to get a waiver in relation to a breached covenant, checked against the consolidated financial statements as at 31 December 2017, supporting the five-year senior loan granted to Esprinet S.p.A. in February 2017.
Later, on 2 May 2018 an agreement was reached to renegotiate the structure of these covenants, that now provide for higher thresholds till 2021.

Esprinet S.p.A. Annual Shareholders Meeting

On 4 May 2018, Esprinet Shareholders' Meeting approved the separate financial statements for the fiscal year ended at 31 December 2017 and the distribution of a dividend of € 0.135 per ordinary share, corresponding to a pay-out ratio of 27%.[4]

[4] Based on Esprinet Group's consolidated net profit

The dividend payment was scheduled from 16 May 2018, with issue of coupon no.13 on 14 May 2018 and record date on 15 May 2018.

Following the expiry of previous term of office, the Shareholder's Meeting appointed the new Board of Directors and the Board of Statutory Auditors which will remain in office until approval of the financial statements for the 2020 fiscal year.
The new Board is made up as follows: Maurizio Rota (Chairman), Alessandro Cattani, Valerio Casari, Marco Monti, Tommaso Stefanelli, Matteo Stefanelli, Mario Massari, Renata Maria Ricotti, Cristina Galbusera, Chiara Mauri, Emanuela Prandelli and Ariela Caglio.
The new Board of Statutory Auditors is made up as follows: Bettina Solimando (Chairman), Patrizia Paleologo Oriundi (standing statutory auditor), Franco Aldo Abbate (standing statutory auditor), Antonella Koenig (alternate statutory auditor) and Mario Conti (alternate statutory auditor).

The Annual Shareholders' Meeting has also:

- approved the first section of the Report on Remuneration under Art.123-ter, paragraph 6 of the Legislative Decree 58/1998;

- resolved to authorize the acquisition and disposal of own shares, within 18 months from the resolution date, up to 2,620,217 ordinary shares (5% of the Company's share capital), simultaneously revoking the former authorization resolved by the Shareholder's Meeting on 4 May 2017 with respect to the unused portion;

- approved a Long Term Incentive Plan, in relation to remuneration policies and in accordance with article 114-bis of legislative decree 58/1998, for the members of the Company's Board of Directors and other executives for the period 2018/2019/2020. The object of the plan is the free allocation of ordinary shares in the Company ('performance stock grant') to beneficiaries designated by the Board of Directors, up to a maximum of 1,150,000 Company's shares.

- authorized the Company to update the financial conditions of the statutory auditors engagement granted to EY S.p.A. within the measure of (i) 32,110 euro for the financial years 2017 and 2018 each, for recurring additional activities concerning the consolidated financial statements and of (ii) 22,500 euro only for the financial year 2017 for activities relating to the first-time adoption of the new accounting standard IFRS 15.

Granting of shares to beneficiaries pursuant to the 2015-2017 Long Term Incentive Plan

On 12 June 2018, following the presentation and approval of the Group consolidated financial statements as at 31 December 2017 at the AGM of 4 May 2018, and taking into account also the successful achievement of targets set for the fiscal years 2015-2017, the free stock grants of Esprinet. S.p.A. ordinary shares referring to the Long Term Incentive Plan approved by the AGM of 30 April 2015 became exercisable. Consequently, 535,134 rights were granted to the members of the Company's Board of Directors and Company executives, using shares already owned by Esprinet S.p.A..
20% of the shares granted to the beneficiaries is subject to a lock-up period of one year from the grant date. As a consequence of this transaction, own shares on hand decreased to 111,755, equal to 0.21% of the share capital.

Share buy-back program

Pursuant to the Esprinet AGM resolution of 4 May 2018, the Company purchased a total of 1,038,245 ordinary shares of Esprinet S.p.A. (corresponding to 1.98% of total share capital) along the period between 14 June 2018 and 11 October 2018, with an average purchase price of euro 3.78 per share, net of fees.
Taking into account the above-mentioned purchases, Esprinet S.p.A. owned n. 1,150,000 own shares (equal to 2.19% of share capital) as at 31 December 2018.

New 2018-2020 Long term incentive plan: grant of free share rights

On 25 June 2018, pursuant to the AGM resolution of 4 May 2018 concerning the new Long Term Incentive Plan in favour of Board Members of Esprinet S.p.A. and Group executives, 1,150,000 rights (equal to the number of rights resolved by the AGM) were freely granted.

The exercise of the stock plan is conditional upon the achievement of some financial targets for the period 2018-20 and the beneficiary being still employed by the Group at the date of presentation of the 2020 Consolidated Financial Statement.

Closing and de-registering of the subsidiary Celly Swiss SAGL in liquidation

On 16 July 2018, the competent office of the commercial register of Canton Ticino announced the closing and de-registering of the company Celly Swiss SAGL, wholly controlled by Celly S.p.A. which had been in liquidation from 30 June 2018.

Renewal of an agreement for securitization of trade receivables for a maximum amount of 100.0 million euro

On 18 July 2018, Esprinet S.p.A. and its wholly owned subsidiary V-Valley S.r.l. renewed a securitization transaction involving the transfer of their trade receivables started in July 2015 as originators.
The transaction, which has been structured by UniCredit Bank AG as arranger, involves the assignment on a 'non recourse' revolving basis of trade receivables to a 'special purpose vehicle' under L. n. 130/99 named Vatec S.r.l., over an additional period 3 years.
The total amount of the program was increased to 100.0 million euro from the original 80.0 million euro.
The purchase of trade receivables by Vatec S.r.l. is being funded through the issue of different classes of notes: class A notes (senior), subscribed by a conduit sponsored by UniCredit Group, class B notes (mezzanine) and class C notes (junior) subscribed by specialised investors.
This transaction complements the unsecured senior loan of 181.0 million euro maturing in February 2022, consisting of an amortising Term Loan facility for 116 million euro and a revolving facility for 65,0 million euro - whose covenant structure was reviewed in May by setting higher thresholds, thus allowing the Group to extend considerably the average duration of its financial indebtedness.

Merger by incorporation of EDSlan S.r.l. and Mosaico S.r.l. into Esprinet S.p.A..

On 24 October 2018, to complete the process aimed at maximising synergies from the acquisition transactions carried out in 2016, through the subsidiaries EDSlan S.r.l. and Mosaico S.r.l., from distribution activities in the market segments of networking, cabling, VoIP and UCC-Unified Communication as regards EDSlan S.r.l., and ICT Security, Enterprise Software, Virtualisation and OpenSource/Linux solutions as regards Mosaico S.r.l., the deed of merger by incorporation of the subsidiaries EDslan S.r.l. and Mosaico S.r.l. into Esprinet S.p.A. was signed (deed of merger approved on 14 May 2018).

This process began with the signing of two different business lease agreements by Esprinet S.p.A., on 26 January 2018 with EDSlan S.r.l. and on 26 March 2018 with Mosaico S.r.l., respectively, under which the parent company has replaced them in all legal relationships existing with customers and suppliers, except for receivables and payables outstanding at the signing date of these business lease agreements, that were held by the subsidiaries until the merger date.

Since this is a 'simplified' merger by incorporation of wholly-owned companies, the resolution was adopted by the Board of Directors, by means of a public deed, not by the Shareholders' Meeting.

The merger is effective from 1 November 2018 under a legal point of view, while accounting and tax effects were backdated to 1 January 2018.

Upon completion of the merger, Esprinet S.p.A. thus took over all the legal relationships of EDSlan S.r.l. and Mosaico S.r.l., taking on all relevant rights and obligations in place prior to the merger.

Merger by incorporation of Tape S.L.U. into V-Valley Iberian S.L.U.

On 30 November 2018, the deed of merger by incorporation of TAPE S.L.U into V-Valley Iberian S.L.U.. was signed, both entirely owned by Esprinet Iberica S.L.U., that relating to TAPE S.L.U. had acquired the property from the wholly owned subsidiary Vinzeo Technologies S.A.U. in April.

The merger is effective from that date under a legal point of view, while accounting and tax effects were backdated to 1 January 2018.

Upon completion of the merger, V-Valley Iberian S.L.U. thus took over all the legal relationships of TAPE S.L.U., taking on all relevant rights and obligations in place prior to the merger.

Winding up of the supplier of the 'Sport Technology' line, related extraordinary charges and dispute

On 18 December 2018, the historical supplier of the 'Sport Technology' product line initiated the process of voluntary winding-up of the business, about which Esprinet S.p.A. was informed only at the beginning of January 2019.
Such entity has been supplying product to Esprinet for the last 15 years and since 2008 was managing, on behalf of the Esprinet Group and under an exclusive agreement, the production (research & development of products, scouting, selection and quality control), the import and the after-sale support process (maintenance, repair, reverse logistics handling, etc.) of a number of "Sport technology" products.
Esprinet has 12.5 million euro receivables with this supplier for down-payments mainly related to imports of products from China as well as for credit notes (repurchase of products under contractual warranty agreements, stock and price protections against changes in market prices, etc.).
Beside the winding up process, that led the management to estimate a possible loss in the receivables value of 8.8 million euro, during the fourth quarter the market experienced a steep and unexpected fall in end-user prices on some product families of 'Sport Technology' line which, combined with the lack of price protection provided by the supplier as well as with the lack of delivery of the products of the new collection, resulted in a negative impact on gross profit for 8.4 million euro.
In the light of the information known at the moment the total impact of the above-mentioned extraordinary items is approx. 17.2 million euro.
On 6 February 2019, the above-mentioned importer, acting through its Liquidator, and its shareholders, served a writ of summons to start a legal action against Esprinet S.p.A., for damage compensation amounting to 55 million euro, alleging an unlawful conduct in trade relationships between Esprinet and said importer that allegedly led the latter into distress.
On 19 February 2019, the majority shareholder of the supplier of the Sport Technology line, through its Liquidator (since that shareholder entered into voluntary liquidation itself) took legal action against Esprinet S.p.A. requesting that the guarantee it had granted to Esprinet S.p.A. on behalf of its subsidiary be declared void or at least invalid and unenforceable.
The Board of Directors of Esprinet S.p.A. resolved to file an appearance and defend by rejecting all claims and requesting compensation of legal expenses from the plaintiff.
The Company - supported by its legal advisories – reaffirms the full fairness and compliance to laws and articles of association of its conduct and trusts that the court will soon confirm it by establishing the lack of foundation and spuriousness of the legal action taken against Esprinet.

Breach of financial covenants on Facility Agreements

The Group financing structure includes among others a medium/long-term senior loan granted to Esprinet S.p.A. in February 2017 by a pool of banks, consisting of a 5-year amortised cash facility with an original amount of 145.0 million euro and a 5-year revolving cash facility for 65.0 million euro.
The amortised cash line was drawn for 101.5 million euro at 31 December 2018, while the 'revolving' one was unused.

The above-mentioned 'unsecured' loan, expiring in February 2022, is supported by a set of 4 financial covenants that entitle the lenders to demand early repayment in case of failure.
As at 31 December 2018, even if the compliance of the above-mentioned covenants has to be checked against the consolidated and audited financial statements, according to Group quarterly results, the covenant consisting in the ratio of Extended net financial indebtedness to EBITDA is expected to be unmet if a literal interpretation of the contract should prevail over a substantial interpretation when choosing the EBITDA structure to be used (EBITDA 'as reported' instead of 'recurring' EBITDA which reflects better the ability of the Group to bear its leverage level).
Thus, pursuant to the accounting standards in force, the entire outstanding amount of the amortised facility - as well as the liability from the 'fair value' of 'IRS-Interest Rate Swap' contracts signed to hedge the loan interest rate risk - were booked under the current financial liabilities.

Developments in tax disputes

Esprinet S.p.A. has some tax disputes concerning indirect taxes claimed from the Company, with a total amount of 21.6 million euro, plus penalties and interest, with respect to transactions occurred between 2010 and 2013. Since some customers had filed declarations of intent but, subsequent to a tax audit, failed to fulfil

the requirements needed to qualify as a frequent exporter, the tax authority is now claiming VAT from the Company on those sales transactions.
The main events occurred since 1 January 2018 till the date of this interim report are as follows:

On 10 January 2018 the Provincial Tax Commission issued an unfavourable first instance decision for the year 2011 in relation to a tax dispute where the Company paid tax advances amounting to 1.9 million euro. The appeal hearing was held on 12 February 2019 before the Provincial Tax Commission;

On 19 March 2018 the Regional Tax Commission issued a favourable appeal judgement for the year 2010. The amounts paid pending judgement are equal to 2.6 million, net of the portion for which the Company already received the refund;

On 18 May 2018, the hearing relating to the year 2012 was held before the Provincial Tax Commission, with a favourable judgement at first instance issued on 9 October 2018;

On 31 July 2018 the Company was served a notice relating to an assessment for the year 2013, against which an appeal was lodged, that was heard before the Provincial Tax Commission on 29 January 2019;

On 20 December 2018, the Company was served a further notice relating to an assessment again referring to 2013 tax year, against which the Company filed a tax settlement proposal pursuant to art.6 paragraph 2 of the D.Lgs. 218/1997.

Some Italian subsidiaries of Esprinet S.p.A. have ongoing court and out-of-court disputes with Tax Authorities, relating to the amount of register tax to be paid on some extraordinary transactions effected in prior years.
The main events occurred from the 1 January 2018 till the date of this financial report are as follows:

On 12 January 2018, Celly S.p.A. paid additional 4 thousand euro for registration fees, claimed on the transfer deed of the business unit Rosso Garibaldi, in lieu of its counterparty that went bankrupt;

On 15 May 2018, Mosaico S.r.l. appealed against a correction and settlement notice of higher registration fees, equal to 48 thousand euro, relating to the 2016 acquisition agreement of a business unit from Itway S.p.A.. On 4 September 2018, the Tax Authority put forward a mediation proposal, accepted by the selling company Itway S.p.A., thus settling the dispute;

On 19 June 2018, the hearing relating to the correction and settlement notice of higher registration fees, equal to 182 thousand euro, relating to the 2016 acquisition agreement of a business unit from EDSlan S.p.A. (now I-Trading S.r.l.) was held in the Provincial Tax Commission. On 18 September 2018 the Commission issued a favourable judgement upholding the company's appeal.

On 25 May 2018, tax assessment notices relating to direct and indirect taxes against V-Valley S.r.l. for the tax period 2011 of 74 thousand euro (plus penalties and interest) were settled with legal conciliation.

On 20 July 2018 the Regional Tax Commission upheld the appeal filed by the Tax Authority against the first instance judgement issued in favour of Monclick S.r.l. with reference to tax year 2012 (when this company was still part of the Esprinet Group) in relation to direct tax claims amounting to 82 thousand euro, plus penalties and interest.
The Company is preparing an appeal before the Supreme Court.

With respect to the audits carried out by the Tax Authority for the year 2014, Celly S.p.A. settled the tax dispute by accepting the tax audit report.
On 14 December 2018, Celly S.p.A. was served two tax assessment notices relating to the same tax audit, one for the year 2015 (only for notification expenses) and one for 2016. Celly S.p.A. settled all disputes by paying overall 370 thousand euro, plus penalties and interest.

F) Subsequent events

Relevant events occurred after period end are briefly described below:

Expiry of Esprinet S.p.A. shareholders' agreement

The shareholders' agreement, in force between Messrs Francesco Monti, Paolo Stefanelli, Tommaso Stefanelli, Matteo Stefanelli, Maurizio Rota and Alessandro Cattani, signed on 23 February 2016 and lastly updated on 3 August 2018, in relation to no. 15,567,317 ordinary shares of Esprinet S.p.A. making up a total of 29.706% of the shares representing the entire share capital of the Company, ended on February 22, 2019, due to the expiry of the term of duration.

It is hereby noted that the Shareholder's Agreement provided: (i) a voting syndicate in relation to the election of the members of the corporate bodies of the Company; (ii) the obligation of a prior consultation in relation to the other resolutions of the shareholders' meetings; (iii) a blocking syndicate.

Esprinet to purchase 51% of 4Side's share capital, Italian distributor of Activision Blizzard products

On 19 March 2019 Esprinet S.p.A. signed a binding agreement for the acquisition of 51% share capital of 4Side S.r.l,. a company dealing with marketing and exclusive distribution in Italy for Activision Blizzard products aiming at positioning as a leader entity in a industry considered as strategic for the company business.

The deal has been valued as the sum of net equity portion relating to the 51% stake of the company at the transfer date plus a fixed goodwill of 0.4 million euro.

4Side S.r.l. is formed by former managers of Activision Blizzard Italy namely Paolo Chisari (General Manager), Maurizio Pedroni (Sales Director), Piero Terragni (Operation Director) and Stefano Mattioli (Finance Director).

Corporate Governance structure according to which minority shareholders will jointly manage the business together with Esprinet S.p.A. are defined in the shareholders agreements entered into with selling managers, from which Esprinet also obtained a call option on the remaining 49% stake of the company exercisable between 4 and 6 years from the date of closing together with a set of warranties as usual for a deal of this kind.

The notarial dead was signed on 20 March 2019.

Developments in legal and tax disputes

For a better presentation, developments in legal and tax disputes after period end are disclosed under the paragraph 'significant events occurring in the period' for each respective event.

G) Outlook

In Italy, the technology distribution market increased +10.8% in 2018 compared with 2017 (source: management elaboration on Context data).[5]
Every product categories grew double digit but PC (desktop and notebook), which grew +2%, printing (printers and consumables) which grew +3%, and the accessories which were up +1%. The trigger was the mobile phone segment again (+26% in 2018).
In such an environment, Esprinet grew its market share in the Italian market +1 point since the beginning of the year thanks to the good performance of all business sectors with the only exception of 'printing' and 'datacenter' lines which grew in line with the market.
The growth of the Italian market was boosted mainly by the retailers' customer segment (+15% while business resellers grew by +8%).
Esprinet overperformed the market in both customer segments during 2018 and namely in the 'retail' segment where it grew its share by 2.3 points.

The Spanish market grew +9% in 2018 whereas the Esprinet Group share was flat against 2017.

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5 The segmentation between 'professional/business' and 'consumer/retail' customers to which reference is made in this section, is that used by Context, and as such is not perfectly aligned with segmentation used internally by the Group.

During 2018 all the main product categories grew 'mid-single digit' with the exemptions of PC (-2%) and mobile phones (a brilliant +32%).
In 2018, the 'business' segment grew +5%.
The Esprinet share in this segment was basically down by -0.1 points.
Much more vital was the performance of the retailers' segment (+15%), while Esprinet, despite a significant growth, lost -0.7 points of share for the full year.

During the year, net of the extraordinary charges related to the voluntary winding-up of the main supplier of the 'Sport Technology' product line, the Esprinet Group experienced a reduction of the fixed operating costs as a result of the optimization processes put in place mainly during the second half of 2017.
The Group reduced the percentage of variable sales, marketing and logistic costs thanks to the optimization activities performed during 2018.
As per the gross profit, net of the extraordinary charges mentioned above, the margin was down by 0.43% in the full year.

With regard to current fiscal year, in the first 3 months Esprinet Group reported a strong increase in sales volumes despite a drop in mobile phones.
All business segments recorded significant growth particularly in the 'PC-Client' (notebooks and desktops) space and products for 'datacenter' or 'IT Value', where we are taking the full benefit of past investments made in remixing its offering towards higher margin business.
In the first part of the year some important actions were taken in order to reach a better profitability in some 'product-customer' combinations.
The 'Sport Technology' division underwent a profound organisational restructuring leading to the replacement of the whole senior management team. Purchase agreements with new suppliers will be concluded in next weeks so as to ensure continuity in commercial activities.
Despite the excellent trend in the distribution market, the macroeconomic conditions – especially in Italy – seems to be difficult. Thus, along the year Esprinet will be focused on improving the return on capital invested through a selective optimisation of working capital management.

H) Dividend proposal

The Board of Directors will propose to the Annual Shareholders' Meeting the distribution of a dividend of 0.135 euro gross of any tax withholdings for each outstanding ordinary share, thus excluding any own shares held by the Company in its portfolio at the coupon payment date, by using the Extraordinary Reserve.
Moreover, The Board of Directors propose that the dividend payment will be scheduled from 15 May 2019 (coupon payment no. 14 on 13 May 2019 and record date on 14 May 2019).

I) 2018 Shareholders' meeting Call

The Ordinary Meeting will be held at 11:00 a.m. on 8 May 2018 - single call, to discuss the following:

Agenda

1. Financial statements at 31 December 2018:

   a. Approval of 2018 Financial Statement; Directors' Report on Operations, Statutory Auditors' Report, Independent Auditors' Report Presentation of the Consolidated Financial Statement as at 31 December 2018 and Consolidated disclosure of non-financial information in accordance with Italian Legislative Decree 254/2016 - sustainability report.

   b. Appropriation of the net result for the year.

   c. Dividend distribution.

2. Report on Remuneration. Report on Remuneration. Resolutions on the first section of the Report on Remuneration pursuant to par. 6 of the art. 123-ter of the legislative decree 58/1998.

3. Proposal for authorisation of a 18-month buy-back plan for the maximum number of shares legally allowed and concurrent repeal of the authorisation for the unused portion of the plan (if any) resolved by the Shareholders' Meeting of 4 May 2018.

4. Appointment of the independent auditors, also for a limited audit of the condensed half-yearly report, for the years 2019 to 2027 pursuant to Lgs. 39/2010 and to the European Regulation (EU) no. 537/2014; Determination of auditors' fees.

Declaration under article 154-bis, par. 2 of the Financial Consolidation Act.

The officer charged with the drawing up of the accounting documents of the Company, Pietro Aglianò, declares that, in compliance with the provisions of paragraph 2 of art. 154-bis of Legislative Decree n. 58/98, the financial data shown in this press release corresponds to the findings resulting from accounting documents, books and accounting records.

Annexes: summary of the earnings and financial results for the period ended 31 December 2018 (both Group and Esprinet S.p.A.).

For further information:

Esprinet S.p.A.
Esprinet S.p.A. – IR and Communications
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Esprinet (based in Vimercate Italy; Borsa Italiana: PRT), is the holding of a Group engaged in the "B2B" distribution of technology products at the top of the market in Italy and Spain. The 2018 turnover of more than € 3.5 billion places Esprinet among the top 50 Italian industrial groups and the top 10 distributors worldwide. Thanks to a business model based on the coexistence of different sales channels tailored to the specific characteristics of 36.000 reseller clients, Esprinet markets about 700 brands and over 57,000 products available in 130,000 square meters of managed warehouses. Through the V-Valley division, Esprinet is able to distribute value-added products, services and IT solutions. The Group's activities also cover Portugal, and the production and sales of the named brands "Celly" (smartphones accessories) and "Nilox" (outdoor technology).

Summary of main Group's result

(euro/000)	notes	2018	%	2017	%	% var. 18/17	2016	%
Profit & Loss								
Sales from contracts with customers		3,571,190	100.0%	3,217,172	100.0%	11%	3,042,330	100.0%
Gross profit		162,272	4.5%	167,763	5.2%	-3%	163,895	5.4%
EBITDA	(1)	28,591	0.8%	39,475	1.2%	-28%	43,117	1.4%
Operating income (EBIT)		23,720	0.7%	34,347	1.1%	-31%	38,566	1.3%
Profit before income tax		19,179	0.5%	33,634	1.0%	-43%	35,720	1.2%
Net income		14,158	0.4%	26,279	0.8%	-46%	26,870	0.9%
Financial data								
Cash flow	(2)	18,847		31,033			30,820	
Gross investments		3,064		3,843			11,710	
Net working capital	(3)	(2,224)		107,133			102,322	
Operating net working capital	(4)	10,443		104,175			102,046	
Fixed assets	(5)	118,502		122,403			124,516	
Net capital employed	(6)	101,855		215,128			212,535	
Net equity		342,898		338,188			317,957	
Tangible net equity	(7)	251,579		246,522			225,299	
Net financial debt	(8)	(241,044)		(123,058)			(105,424)	
Main indicators								
Net financial debt / Net equity		(0.7)		(0.4)			(0.3)	
Net financial debt / Tangible net equity		(1.0)		(0.5)			(0.5)	
EBIT / Finance costs - net		5.2		45.9			13.5	
EBITDA / Finance costs - net		6.3		52.7			15.1	
Net financial debt/ EBITDA		(8.4)		(3.1)			(2.4)	
Operational data								
N. of employees at end-period		1,263		1,247			1,327	
Avarage number of employees	(9)	1,256		1,288			1,172	
Earnings per share (euro)								
- Basic		0.27		0.51		-47%	0.52	
- Diluted		0.27		0.50		-46%	0.51	

(1) EBITDA is equal to the operating income (EBIT) gross of amortisation, depreciation and accruals for risks and charges.
(2) Sum of consolidated net profit and amortisations.
(3) Sum of current assets, non-current assets held for sale and current liabilities, gross of current net financial debts.
(4) Sum of trade receivables, inventory and trade payables.
(5) Equal to non-current assets net of non-current financial assets for derivatives.
(6) Equal to capital employed as of period end, calculated as the sum of net working capital plus fixed assets net of non-current non-financial liabilities.
(7) Equal to net equity less goodwill and intangible assets.
(8) Sum of financial debts, cash availability, assets/liabilities for financial derivatives and financial receivables from factoring.
(9) Calculated as the average of opening balance and closing balance of consolidated companies.

The economic and financial results of this period and of the relative period of comparison has been measured by applying the International Financial Reporting Standards ('IFRSs'), adopted by the EU in force in the reference period. In the chart above, in addition to the conventional economic and financial indicators laid down by IFRSs, some 'alternative performance indicators', although not defined by the IFRSs, are presented. These 'alternative performance indicators', consistently presented in previous periodic Group reports, are not intended to substitute IFRSs indicators; they are used internally by the Management for measuring and controlling the Group's profitability, performance, capital structure and financial position.
As required by the Guidelines ESMA / 2015/1415 ESMA (European Securities and Market Authority) issued under Article 16 of the ESMA Regulation, updating the previous recommendation CESR / 05-178b of CESR (Committee of European Securities Regulators) and adopted by Consob with Communication no. 0092543 of 12/03/2015, basis of calculation adopted are defined below the table.

Consolidated statement of financial position

(euro/000)	31/12/2018	related parties *	31/12/2017	related parties *
ASSETS				
Non-current assets				
Property, plant and equipment	13,327		14,634	
Goodwill	90,595		90,595	
Intangible assets	724		1,070	
Investments in associates	-		-	
Deferred income tax assets	11,884		11,262	
Derivative financial assets	-		36	
Receivables and other non-current assets	3,392	1,554	6,712	1,553
	119,922	**1,554**	**124,309**	**1,553**
Current assets				
Inventory	494,444		481,551	
Trade receivables	383,865	-	313,073	11
Income tax assets	3,421		3,116	
Other assets	29,610	1,310	27,778	10
Cash and cash equivalents	381,308		296,969	
	1,292,651	**1,310**	**1,122,487**	**21**
Disposal groups assets	-		-	
Total assets	**1,412,573**	**2,864**	**1,246,796**	**1,574**
EQUITY				
Share capital	7,861		7,861	
Reserves	319,831		303,046	
Group net income	14,031		26,235	
Group net equity	**341,723**		**337,142**	
Non-controlling interests	1,175		1,046	
Total equity	**342,898**		**338,188**	
LIABILITIES				
Non-current liabilities				
Borrowings	12,804		19,927	
Derivative financial liabilities	-		-	
Deferred income tax liabilities	8,138		7,088	
Retirement benefit obligations	4,397		4,814	
Debts for investments in subsidiaries	-		1,311	
Provisions and other liabilities	1,889		2,504	
	27,228		**35,644**	
Current liabilities				
Trade payables	867,866	-	690,449	-
Short-term financial liabilities	138,311		155,960	
Income tax liabilities	103		693	
Derivative financial liabilities	613		663	
Debts for investments in subsidiaries	1,082		-	
Provisions and other liabilities	34,472	1,567	25,199	1,510
	1,042,447	**1,567**	**872,964**	**1,510**
Disposal groups liabilities	-		-	
Total liabilities	**1,069,675**	**1,567**	**908,608**	**1,510**
Total equity and liabilities	**1,412,573**	**1,567**	**1,246,796**	**1,510**

Consolidated separate income statement

(euro/000)	2018	non-recurring	related parties*	2017	non-recurring	related parties*
Sales from contracts with customers	**3,571,190**	**-**	11	**3,217,172**	**-**	16
Cost of sales	(3,408,918)	(8,417)	-	(3,049,409)	-	-
Gross profit	**162,272**	**(8,417)**		**167,763**	**-**	
Sales and marketing costs	(52,792)	-	-	(53,800)	-	-
Overheads and administrative costs	(76,287)	-	(4,889)	(77,548)	(1,839)	(4,882)
Impairment loss/reversal of financial assets	(9,473)	(8,823)		(2,068)	-	
Operating income (EBIT)	**23,720**	**(17,240)**		**34,347**	**(1,839)**	
Finance costs - net	(4,541)	-	4	(749)	-	2
Other investments expenses / (incomes)	-	-		36	-	
Profit before income taxes	**19,179**	**(17,240)**		**33,634**	**(1,839)**	
Income tax expenses	(5,021)	4,401	-	(7,355)	478	-
Net income	**14,158**	**(12,839)**		**26,279**	**(1,361)**	
- of which attributable to non-controlling interests	127			45		
- of which attributable to Group	14,031	(12,839)		26,234	(1,361)	
Earnings per share - basic (euro)	0.27			0.51		
Earnings per share - diluted (euro)	0.27			0.50		

* Emoluments to key managers excluded.

Consolidated statement of comprehensive income

(euro/000)	2018	2017
Net income	**14,158**	**26,279**
Other comprehensive income:		
- Changes in 'cash flow hedge' equity reserve	75	(194)
- Taxes on changes in 'cash flow hedge' equity reserve	(23)	68
- Changes in translation adjustment reserve	1	(1)
Other comprehensive income not to be reclassified in the separate income statement		
- Changes in 'TFR' equity reserve	185	45
- Taxes on changes in 'TFR' equity reserve	(51)	(10)
Other comprehensive income	**187**	**(92)**
Total comprehensive income	**14,345**	**26,187**
- of which attributable to Group	14,217	26,141
- of which attributable to non-controlling interests	128	46

Consolidated statement of changes in equity

(euro/000)	Share capital	Reserves	Own shares	Profit for the period	Total net equity	Minority interest	Group net equity
Balance at 31 December 2016	7,861	288,372	(5,145)	26,870	317,958	999	316,959
Total comprehensive income/(loss)	-	(92)	-	26,280	26,188	46	26,142
Allocation of last year net income/(loss)	-	19,883	-	(19,883)	-	-	-
Dividend payment	-	-	-	(6,987)	(6,987)	-	(6,987)
Transactions with owners	-	19,883	-	(26,870)	(6,987)	-	(6,987)
Currently active Share plans	-	1,026	-	-	1,026	-	1,026
Other variations	-	4	-	-	4	1	3
Balance at 31 December 2017	7,861	309,193	(5,145)	26,280	338,189	1,046	337,143
Balance at 31 December 2017	7,861	309,193	(5,145)	26,280	338,189	1,046	337,143
Total comprehensive income/(loss)	-	187	-	14,158	14,345	128	14,217
Allocation of last year net income/(loss)	-	19,293	-	(19,293)	-	-	-
Dividend payment	-	-	-	(6,987)	(6,987)	-	(6,987)
Purchases of own shares	-	-	(3,929)	-	(3,929)	-	(3,929)
Transactions with owners	-	19,293	(3,929)	(26,280)	(10,916)	-	(10,916)
Grant of share under share plans	-	(3,814)	4,274	-	460	-	460
Equity plans in progress	-	645	-	-	645	-	645
FTA accounting standards IFRS	-	133	-	-	133	-	133
Other variations	-	42	-	-	42	1	41
Balance at 31 December 2018	7,861	325,679	(4,800)	14,158	342,898	1,175	341,723

Consolidated net financial position

(euro/000)	31/12/2018	31/12/2017	Var.
Short-term financial liabilities	138,311	155,960	(17,649)
Current debts for investments in subsidiaries	1,082	-	1,082
Current financial (assets)/liabilities for derivatives	610	663	(53)
Financial receivables from factoring companies	(242)	(1,534)	1,292
Other financial receivables	(10,881)	(510)	(10,371)
Cash and cash equivalents	(381,308)	(296,969)	(84,339)
Net current financial debt	**(252,428)**	**(142,390)**	**(110,038)**
Borrowings	12,804	19,927	(7,123)
Non - current debts for investments in subsidiaries	-	1,311	(1,311)
Non-current financial (assets)/liabilities for derivatives	-	(36)	36
Other financial receivables	(1,420)	(1,870)	450
Net financial debt	**(241,044)**	**(123,058)**	**(117,986)**

Consolidated statement of cash flow

(euro/000)	2018	2017
Cash flow provided by (used in) operating activities (D=A+B+C)	**127,577**	**25,994**
Cash flow generated from operations (A)	**37,438**	**39,225**
Operating income (EBIT)	23,720	34,347
Depreciation, amortisation and other fixed assets write-downs	4,691	4,754
Net changes in provisions for risks and charges	8,208	(516)
Net changes in retirement benefit obligations	(285)	(386)
Stock option/grant costs	1,104	1,026
Cash flow provided by (used in) changes in working capital (B)	**98,347**	**(7,922)**
Inventory	(12,893)	(152,665)
Trade receivables	(70,792)	75,599
Other current assets	(2,135)	2,328
Trade payables	177,429	75,074
Other current liabilities	6,738	(8,258)
Other cash flow provided by (used in) operating activities (C)	**(8,208)**	**(5,309)**
Interests paid, net	(2,338)	(2,272)
Foreign exchange (losses)/gains	(974)	393
Net results from associated companies	-	75
Income taxes paid	(4,896)	(3,505)
Cash flow provided by (used in) investing activities (E)	**(2,027)**	**(2,263)**
Net investments in property, plant and equipment	(2,797)	(3,425)
Net investments in intangible assets	(241)	(280)
Changes in other non current assets and liabilities	4,939	848
Itway business combination	-	594
Own shares acquisition	(3,928)	-
Cash flow provided by (used in) financing activities (F)	**(41,211)**	**(12,695)**
Medium/long term borrowing	-	165,000
Repayment/renegotiation of medium/long-term borrowings	(38,912)	(112,162)
Net change in financial liabilities	12,738	(59,224)
Net change in financial assets and derivative instruments	(8,660)	5,562
Deferred price Itway acquisition	-	(4,718)
Dividend payments	(6,987)	(6,987)
Increase/(decrease) in 'cash flow edge' equity reserve	52	(214)
Changes in third parties net equity	129	48
Other movements	429	-
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**84,339**	**11,036**
Cash and cash equivalents at year-beginning	**296,969**	**285,933**
Net increase/(decrease) in cash and cash equivalents	**84,339**	**11,036**
Cash and cash equivalents at year-end	**381,308**	**296,969**

Esprinet S.p.A. statement of financial position

(euro/000)	31/12/2018	related parties	31/12/2017	related parties
ASSETS				
Non-current assets				
Property, plant and equipment	10,039		10,450	
Goodwill	16,429		10,626	
Intangible assets	649		913	
Investments in associates	-		-	
Investments in others	86,086		92,585	
Deferred income tax assets	4,970		2,134	
Derivative financial assets	-		377	
Receivables and other non-current assets	3,095	1,554	6,396	1,550
	121,268	**1,554**	**123,481**	**1,550**
Current assets				
Inventory	304,237		310,451	
Trade receivables	199,871	-	141,244	11
Income tax assets	2,945		2,891	
Other assets	195,363	171,791	215,361	193,015
	375		-	
Cash and cash equivalents	173,681		165,368	
	876,472	**171,791**	**835,315**	**193,026**
Non-current assets held for sale	-			
Total assets	**997,740**	**173,345**	**958,796**	**194,576**
EQUITY				
Share capital	7,861		7,861	
Reserves	293,182		287,208	
Net income for the period	(1,030)		10,610	
	300,013		**305,679**	
Total equity	**300,013**		**305,679**	
LIABILITIES				
Non-current liabilities				
Borrowings	12,804		18,163	
Deferred income tax liabilities	2,842		2,481	
Retirement benefit obligations	3,793		3,474	
Provisions and other liabilities	1,400		1,594	
	20,839		**25,712**	
Current liabilities				
Trade payables	521,203	-	465,112	-
Short-term financial liabilities	132,744		149,263	
Derivative financial liabilities	613		644	
Provisions and other liabilities	22,328	1,822	12,386	1,558
	676,888	**1,822**	**627,405**	**1,558**
Total liabilities	**697,727**	**1,822**	**653,117**	**1,558**
Total equity and liabilities	**997,740**	**1,822**	**958,796**	**1,558**

The statement of financial position of Esprinet S.p.A. prepared in accordance with the international accounting standards which considers the 'pro-forma' values as at 31 December 2017, restated in order to show the merger of EDSlan S.r.l. and Mosaico S.r.l. into Esprinet S.p.A effects from 1 January 2017:

(euro/000)	31/12/2018	31/12/2017 Pro-forma
ASSETS		
Non-current assets		
Property, plant and equipment	10,039	10,741
Goodwill	16,429	16,429
Intangible assets	649	1,009
Investments in associates	-	-
Investments in others	86,086	85,945
Deferred income tax assets	4,970	2,600
Derivative financial assets	-	377
Receivables and other non-current assets	3,095	6,406
	121,268	**123,507**
Current assets		
Inventory	304,237	319,723
Trade receivables	199,871	187,259
Income tax assets	2,945	2,951
Other assets	195,363	174,344
Derivative financial assets	375	-
Cash and cash equivalents	173,681	179,311
	876,472	**863,588**
Disposal groups assets	-	
Total assets	**997,740**	**987,095**
EQUITY		
Share capital	7,861	7,861
Reserves	293,182	290,894
Group net income	(1,030)	11,752
	300,013	**310,507**
Total equity	**300,013**	**310,507**
LIABILITIES		
Non-current liabilities		
Borrowings	12,804	18,163
Deferred income tax liabilities	2,842	2,722
Retirement benefit obligations	3,793	4,211
Provisions and other liabilities	1,400	1,629
	20,839	**26,725**
Current liabilities		
Trade payables	521,203	485,926
Short-term financial liabilities	132,744	150,222
Income tax liabilities	-	531
Derivative financial liabilities	613	644
Provisions and other liabilities	22,328	12,540
	676,888	**649,863**
Total liabilities	**697,727**	**676,588**
Total equity and liabilities	**997,740**	**987,095**

Esprinet S.p.A. separate income statement

(euro/000)	2018	non-recurring	related parties*	2017	non-recurring	related parties*
Sales from contracts with customers	**2,267,797**	-	56,765	**1,917,559**	-	62,532
Cost of sales	(2,166,521)	(6,080)	(692)	(1,819,846)	-	(3,767)
Gross profit	**101,276**	**(6,080)**		**97,713**	**-**	
Sales and marketing costs	(36,419)	-	(2,264)	(30,181)	-	(1,335)
Overheads and administrative costs	(53,028)	-	(2,495)	(49,890)	(235)	(1,656)
Impairment loss/reversal of financial assets	(9,266)	(8,823)		(1,246)	-	
Operating income (EBIT)	**2,563**	**(14,903)**		**16,396**	**(235)**	
Finance costs - net	(3,457)	-	634	(1,880)	-	1,050
Other investments expenses/(incomes)	-	-	-	-	-	-
Result before income tax	**(894)**	**(14,903)**		**14,516**	**(235)**	
Income tax expenses	(136)	3,814	-	(3,906)	65	-
Net result	**(1,030)**	**(11,089)**		**10,610**	**(170)**	
- of which attributable to non-controlling interests	-			-		
- of which attributable to Group	(1,030)	(11,089)		10,610	(170)	

* Emoluments to key managers excluded.

The income statement by "destination" of Esprinet S.p.A. prepared in accordance with the international accounting standards which considers the 'pro-forma' values as at 31 December 2017, restated in order to show the merger of EDSlan S.r.l. and Mosaico S.r.l. into Esprinet S.p.A effects from 1 January 2017:

(euro/000)	2018	2017 Pro-forma
Sales from contracts with customers	**2,267,797**	**2,010,742**
Cost of sales	(2,166,521)	(1,901,506)
Gross profit	**101,276**	**109,236**
Sales and marketing costs	(36,419)	(35,726)
Overheads and administrative costs	(53,028)	(53,333)
Impairment loss/reversal of financial assets	(9,266)	(1,648)
Operating income (EBIT)	**2,563**	**18,529**
Finance costs - net	(3,457)	(2,246)
Result before income taxes	**(894)**	**16,283**
Income tax expenses	(136)	(4,531)
Net result	**(1,030)**	**11,752**
- of which attributable to non-controlling interests	-	-
- of which attributable to Group	(1,030)	11,752

Esprinet S.p.A. statement of comprehensive income

(euro/000)	2018	2017
Net result	**(1,030)**	**10,610**
Other comprehensive income:		
- Changes in 'cash flow hedge' equity reserve	96	(282)
- Taxes on changes in 'cash flow hedge' equity reserve	(23)	68
Other comprehensive income not to be reclassified in the separate income statement		
- Changes in 'TFR' equity reserve	221	1
- Taxes on changes in 'TFR' equity reserve	(62)	(0)
Other comprehensive income	**232**	**(214)**
Total comprehensive income	**(798)**	**10,396**
- of which attributable to Group	(798)	10,396
- of which, attributable to non-controlling interests	-	-

Esprinet S.p.A. statement of changes in equity

(euro/000)	Share capital	Reserves	Own shares	Profit for the period	Total net equity
Balance at 31 December 2016	**7,861**	**285,790**	**(5,145)**	**12,738**	**301,244**
Total comprehensive income/(loss)	**-**	**(214)**	**-**	**10,610**	**10,396**
Allocation of last year net income/(loss)	-	5,751	-	(5,751)	-
Dividend payment	-	-	-	(6,987)	**(6,987)**
Transactions with owners	-	5,751	-	**(12,738)**	**(6,987)**
Changes in 'stock grant' plan reserve	-	1,026	-	-	**1,026**
Balance at 31 December 2017	**7,861**	**292,353**	**(5,145)**	**10,610**	**305,679**
Total comprehensive income/(loss)	**-**	**232**	**-**	**(1,030)**	**(798)**
Allocation of last year net income/(loss)	-	3,623	-	(3,623)	-
Dividend payment	-	-	-	(6,987)	**(6,987)**
Acquisto azioni proprie	-	-	(3,929)	-	**(3,929)**
Transactions with owners	-	3,623	(3,929)	**(10,610)**	**(10,916)**
Changes in 'stock grant' plan reserve	-	(3,814)	4,274	-	**460**
Piani azionari in corso	-	645	-	-	**645**
Variazione per operazioni di fusione	-	4,828	-	-	**4,828**
FTA principi contabili IFRS	-	133	-	-	**133**
Other movements	-	(18)	-	-	**(18)**
Balance at 31 December 2018	**7,861**	**297,982**	**(4,800)**	**(1,030)**	**300,013**

Esprinet S.p.A. net financial position

(euro/000)	31/12/2018	31/12/2017	Var.
Short-term financial liabilities	132,744	149,263	(16,519)
Customer financial receivables	(10,880)	(510)	(10,370)
Current financial (assets)/liabilities for derivatives	238	644	(406)
Financial receivables from factoring companies	(241)	(1,202)	961
Financial (assets)/liab. From/to Group companies	(104,500)	(157,500)	53,000
Cash and cash equivalents	(173,681)	(165,368)	(8,313)
Net current financial debt	**(156,320)**	**(174,673)**	**18,353**
Borrowings	12,804	18,163	(5,359)
Non-current financial (assets)/liabilities for derivatives	-	(377)	377
Customer financial receivables	(1,420)	(1,870)	450
Net financial debt	**(144,936)**	**(158,757)**	**13,821**

Esprinet S.p.A. statement of cash flows

(euro/000)	2018	2017
Cash flow provided by (used in) operating activities (D=A+B+C)	**24,329**	**55,146**
Cash flow generated from operations (A)	**14,773**	**20,177**
Operating income (EBIT)	2,563	16,396
Depreciation, amortisation and other fixed assets write-downs	3,182	3,163
Net changes in provisions for risks and charges	8,629	(91)
Net changes in retirement benefit obligations	(626)	(252)
Stock option/grant costs	1,025	961
Cash flow provided by (used in) changes in working capital (B)	**14,838**	**37,190**
Inventory	15,486	(102,575)
Trade receivables	(12,612)	48,902
Other current assets	(29,641)	9,270
Trade payables	35,364	84,021
Other current liabilities	6,241	(2,428)
Other cash flow provided by (used in) operating activities (C)	**(5,282)**	**(2,221)**
Interests paid, net	(1,576)	(746)
Foreign exchange (losses)/gains	(559)	191
Income taxes paid	(3,147)	(1,666)
Cash flow provided by (used in) investing activities (E)	**(30,301)**	**(2,282)**
Net investments in property, plant and equipment	(2,147)	(1,767)
Net investments in intangible assets	27	(43)
Changes in other non current assets and liabilities	2,825	(372)
Nilox Deutschland change shareholding	(300)	(100)
Reimbursement from 'stock grant' to subsidiaries	238	-
Edslan and Mosaico merge	(27,016)	-
Share buyback	(3,928)	-
Cash flow provided by (used in) financing activities (F)	**14,285**	**32,395**
Medium/long term borrowing	-	165,000
Repayment/renegotiation of medium/long-term borrowings	(33,676)	(73,655)
Net change in financial liabilities	10,435	(46,360)
Borrowed due within 12 months received/(granted)	53,000	(6,000)
Net change in financial assets and derivative instruments	(8,989)	611
Dividend payments	(6,987)	(6,987)
Increase/(decrease) in 'cash flow edge' equity reserve	73	(214)
Other movements	429	-
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**8,313**	**85,259**
Cash and cash equivalents at year-beginning	**165,368**	**80,109**
Net increase/(decrease) in cash and cash equivalents	**8,313**	**85,259**
Cash and cash equivalents at year-end	**173,681**	**165,368**