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9M & Q3 2024 Results Presentation

November 14, 2024

Forward Looking Statement

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9M & Q3 2024 RESULTS



9M 2024 Highlights

Q3-24 WAS A STRONG QUARTER CONFIRMING THE ICT MARKET RECOVERY FORECASTED BY US AND BY THE ANALYSTS. WE STRENGTHENED OUR LEADERSHIP IN SOUTHERN EUROPE AND SIGNIFICANTLY OUTGREW THE MARKET IN THE HIGH-MARGIN SOLUTIONS & SERVICES BUSINESS.

PROFITABILITY INDICATORS

GOOD PROFIT RESULTS THANKS TO A SOUND COST CONTROL



The Group once again outperformed the market, returning to growth in all Southern European countries in Q3-24, with an 8% increase in Gross Sales, continuing on the path of strengthening its share in particular in the high-margin segment of the **Solutions and Services where growth was 24%**.

In the Screens segment, the Group benefited better than its competitors from the recovery in demand for PCs and the Retail channel demonstrated strong resilience.

Favorable operating cost control led to good profit performance, mitigating pressure on sales and margins especially in the Consumer Electronics segment.

FINANCIAL STRUCTURE

COMMITTED TO THE PATH OF A CLEAR IMPROVEMENT IN WORKING CAPITAL AND A FURTHER REDUCTION IN NET DEBT BY THE END OF THE YEAR



Cash Conversion Cycle closed at 22 days, -8 days compared to Q3-23 and unchanged compared to Q2-24.

Net Financial Position is negative by Euro 344.3 million. The change compared to both June 30th, 2024 and September 30th, 2023 is a consequence of the higher level of average invested working capital and of higher IFRS 16 leases related to a new warehouse opened in Italy.

9M 2024 Sales Evolution

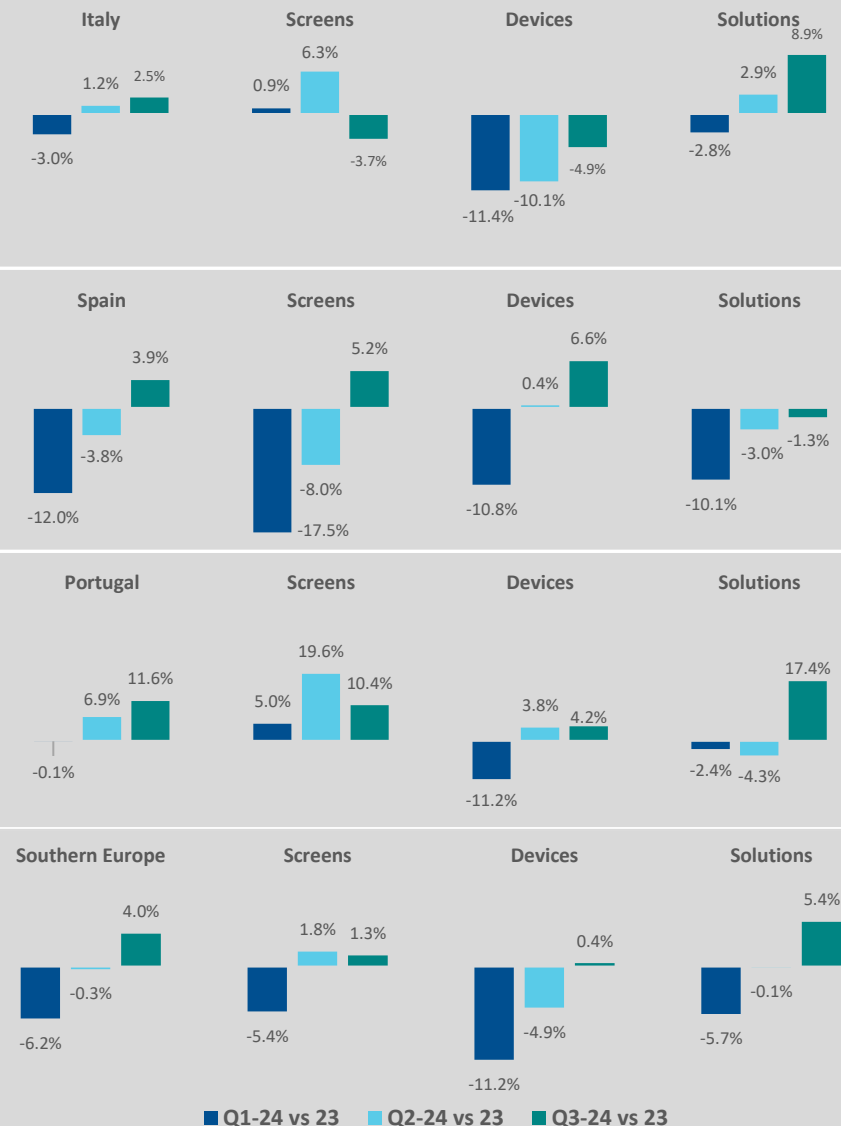
THE GROUP DELIVERED A SOLID Q3-24, CONTINUING SEQUENTIAL STRENGTHENING OF ITS STRATEGIC POSITION IN ITALY AND SPAIN AND IN THE HIGH MARGIN BUSINESS SEGMENTS. THE GROUP HAS ALSO FULLY SEIZED THE OPPORTUNITIES LINKED TO THE SCREENS SEGMENT, BENEFITING FROM THE RECOVERY IN DEMAND FOR PCs.

	Q3-24 Net Sales As Reported	Q3-24 Gross Sales ⁽²⁾	Var. vs Q3-23	Var. vs Q3-23	9M-24 Net Sales As Reported	9M-24 Gross Sales	Var. vs 9M-23	Var. vs 9M-23
By Country ⁽¹⁾	Esprinet		Market ⁽³⁾		Esprinet		Market	
Italy	565 M€	597 M€	+9%	+2%	1,807 M€	1,899 M€	+7%	+1%
Spain	347 M€	374 M€	+9%	+4%	926 M€	1,054 M€	+2%	-4%
Portugal	18 M€	19 M€	-32%	+12%	40 M€	44 M€	-50%	+6%
Morocco	2 M€	4 M€	+65%	n.a.	8 M€	13 M€	+68%	n.a.

By Product Category	Esprinet		Market		Esprinet		Market	
Screens	494 M€	490 M€	+4%	+1%	1,456 M€	1,470 M€	+0%	-1%
Solutions & Services	237 M€	305 M€	+24%	+5%	697 M€	905 M€	+16%	+1%
Devices ⁽⁴⁾	201 M€	199 M€	-2%	+0%	629 M€	635 M€	-1%	-5%

By Customer	Esprinet		Market		Esprinet		Market	
Retailers & E-tailers	343 M€	341 M€	+4%	+6%	938 M€	946 M€	-0%	-2%
IT Resellers	589 M€	653 M€	+10%	+3%	1,844 M€	2,064 M€	+6%	+0%

Sales distribution trend in Southern Europe



(1) Data calculated on the basis of the Group structure, therefore by Country of invoicing. Refer to the press release to see the breakdown of sales by customer origin. Unaudited figures.

(2) Gross of IFRS 15 accounting and other adjustments.

(3) For all market data, source: Context (reporting distribution Gross Sales)

(4) Including Own Brands.

Market Challenges and Opportunities

THE ICT SPENDING INTENT TRAJECTORY IS ALSO POSITIVE IN Q3-24 AND, ACCORDING TO INDUSTRY ANALYSTS, THROUGH 2024

- Q3-24 growth marks an acceleration within an overall positive sentiment following a more muted Q2-24.
- This market dynamic is even more remarkable considering the macroeconomic backdrop which is still influenced by both geopolitical tensions as well as inflationary pressure that put a drag on consumer spending.
- AI related spending in both Software as well as Infrastructure keeps being a long-term driver of growth together with the Cybersecurity momentum.
- Although growth in Q3-24 was modest, the PC market recovery is now well underway with several positive signals indicating stronger performance in the next quarters.
- PC refresh is starting to drive short-term growth. The launch of the latest-generation of AI PC processors is strengthening the value proposition of upgrading an old PC.
- As previously indicated, growth is expected to accelerate in the coming quarters, mostly driven by the continued healthy momentum in the Infrastructure Hardware and Software area, essential in the digital transformation process of both the public administration and the private sector, and by the progressively improving demand from the retail customer segment.

9M 2024 Profitability Evolution

GOOD PROFITABILITY RESILIENCE THANKS TO THE PERFORMANCE OF BOTH THE SOLUTIONS & SERVICES AS WELL AS THE SCREENS SEGMENT, BALANCING THE DEVICES SEGMENT WHICH IS SUFFERING FROM THE PRESSURE ON CONSUMER ELECTRONICS SPENDING.

Gross Profit

9M-24 Gross Profit at **153.8 M€** (-0% compared to 9M-23), **5.53% on sales**, compared to 5.61% of 9M-23.
Q3-24 Gross Profit at **48.9 M€** (+1% compared to Q3-23), **5.25% on sales**, compared to 5.80% of Q3-23.

EBITDA Adj.

9M-24 EBITDA Adj. at **36.3 M€** (-1% compared to 9M-23); **1.31% on sales** (1.33% on sales in 9M-23).
Q3-24 EBITDA Adj. at **11.6 M€** (-0% compared to Q3-23); **1.25% on sales** (1.39% on sales in Q3-23).

Cash Conversion Cycle

Closes at **22 days**, -8 days compared to Q3-23 and unchanged compared to Q2-24.

Net Financial Position

Negative for Euro 344.3 million, down from September 30, 2023 (negative by Euro 260.6 million) and down from June 30, 2024 (negative by Euro 164.0 million), due to the higher level of net invested capital and of higher IFRS 16 leases related to a new warehouse opened in Italy.

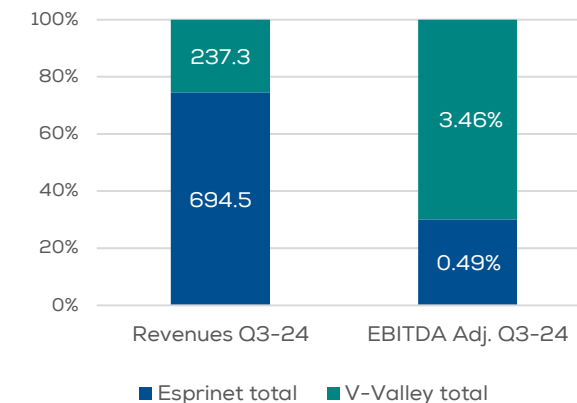
ROCE

Closes at **6.5%**, down from 7.1% of Q2-24.

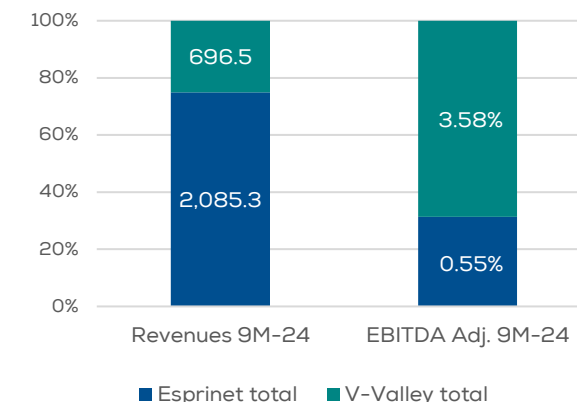


P&L Q3 & 9M 2024 of the *Four Pillars*

	Revenues				EBITDA Adj.				EBITDA Margin Adj.		
	Q3 2024	Q3 2023	Delta	Δ %	Q3 2024	Q3 2023	Delta	Δ %	Q3 2024	Q3 2023	Delta
Screens	493.9	459.4	34.5	8%	3.7	3.3	0.4	12%	0.75%	0.72%	0.03%
Devices	200.6	198.8	1.8	1%	-0.3	1.2	-1.5	>100%	-0.15%	0.60%	-0.75%
<i>Esprinet total</i>	694.5	658.2	36.3	6%	3.4	4.5	-1.1	-24%	0.49%	0.68%	-0.19%
Solutions	234.3	178.5	55.8	31%	6.6	5.9	0.7	12%	2.82%	3.31%	-0.49%
Services	3.0	2.4	0.6	25%	1.6	1.3	0.3	23%	53.33%	54.17%	-0.83%
<i>V-Valley total</i>	237.3	180.9	56.4	31%	8.2	7.2	1.0	14%	3.46%	3.98%	-0.52%
Total	931.8	839.1	92.7	11%	11.6	11.7	-0.1	-0%	1.25%	1.39%	-0.14%



	Revenues				EBITDA Adj.				EBITDA Margin Adj.		
	9M 2024	9M 2023	Delta	Δ %	9M 2024	9M 2023	Delta	Δ %	9M 2024	9M 2023	Delta
Screens	1,456.1	1,480.1	-24.0	-2%	8.9	9.1	-0.2	-2%	0.61%	0.61%	0.00%
Devices	629.2	646.8	-17.6	-3%	2.5	4.8	-2.3	-48%	0.40%	0.74%	-0.34%
<i>Esprinet total</i>	2,085.3	2,126.9	-41.6	-2%	11.4	13.9	-2.5	-18%	0.55%	0.65%	-0.11%
Solutions	686.4	610.4	76.0	12%	19.8	18.7	1.1	6%	2.88%	3.06%	-0.18%
Services	10.1	7.6	2.5	33%	5.1	4.0	1.1	28%	50.50%	52.63%	-2.14%
<i>V-Valley total</i>	696.5	618.0	78.5	13%	24.9	22.7	2.2	10%	3.58%	3.67%	-0.10%
Total	2,781.8	2,744.9	36.9	1%	36.3	36.6	-0.3	-1%	1.31%	1.33%	-0.02%



1) All values in € / millions.

2) The costs attributed to each pillar are the direct sales & marketing costs, some categories of general and administrative expenses directly attributable to each business line (i.e. credit insurance costs, warehousing cost) and, for the remaining G&A costs, a distribution proportional to the weight of the business line on the total revenues has been applied. Results not subject to audit.

Q3 & 9M 2024 P&L Summary

High focus on cost control, despite the impact of last year's acquisitions, resulted in profitability resilience.

(M/€)	Q3 2024	Q3 2023	Var. %	9M 2024	9M 2023	Var. %
Sales from contracts with customers	931.8	839.1	11%	2,781.8	2,744.9	1%
Gross Profit	48.9	48.7	1%	153.8	154.1	0%
<i>Gross Profit %</i>	<i>5.25%</i>	<i>5.80%</i>		<i>5.53%</i>	<i>5.61%</i>	
SG&A	37.3	37.0	1%	117.5	117.5	0%
<i>SG&A %</i>	<i>4.00%</i>	<i>4.41%</i>		<i>4.22%</i>	<i>4.28%</i>	
EBITDA adj.	11.6	11.7	0%	36.3	36.6	-1%
<i>EBITDA adj. %</i>	<i>1.25%</i>	<i>1.39%</i>		<i>1.31%</i>	<i>1.33%</i>	
EBIT adj.	5.4	6.7	-20%	19.3	22.2	-13%
<i>EBIT adj. %</i>	<i>0.58%</i>	<i>0.80%</i>		<i>0.69%</i>	<i>0.81%</i>	
EBIT	5.4	6.7	-20%	19.3	-4.2	<100%
<i>EBIT %</i>	<i>0.58%</i>	<i>0.80%</i>		<i>0.69%</i>	<i>-0.15%</i>	
IFRS 16 interest expenses on leases	1.1	0.8	27%	2.7	2.5	5%
Other financial (income) expenses	3.0	2.6	15%	8.1	14.4	-44%
Foreign exchange (gains) losses	- 1.0	0.5	<100%	0.4	0.2	>100%
Profit before income taxes	2.3	2.8	-18%	8.1	-21.4	<100%
<i>Profit before income taxes %</i>	<i>0.24%</i>	<i>0.33%</i>		<i>0.29%</i>	<i>-0.78%</i>	
Income taxes	- 1.1	0.7		1.5	3.5	
Net Income	3.3	2.0	67%	6.6	-24.9	<100%
<i>Net Income %</i>	<i>0.36%</i>	<i>0.24%</i>		<i>0.24%</i>	<i>-0.91%</i>	

- **Gross Profit up in Q3-24 compared to the same period last year** benefited from improving IT spending environment and recovery of market share. Gross profit margin stood at 5.25% in Q3-24. The increase in 9M sales is unable to compensate for the slight reduction in gross profit margin (5.53% in 9M-24 vs 5.61% in the same period of the previous year).
- The impact of the financial charges of the non-recourse credit transfer programs increase by 6 bps.
- **SG&A: 9M-24 operating costs are stable** despite the impacts of the acquisitions of Sifar Group S.r.l. in Italy and Lidera Network S.L. in Spain, both signed in August 2023, and despite the increase related to collective bargaining agreements. In Q3-24 their weight on sales drops to 4.00% from 4.41% in Q3-23.
- EBIT Adj. slightly lower than EBITDA Adj. mainly due to the **depreciation relating to the automation systems of some Italian warehouse activities.**
- **Net financial expenses down in Q3-24** thanks to the favorable dynamics of the euro/dollar exchange rate.

9M 2024 BS Summary

Great attention to cash generation, in order to ensure the sustainability of our business model.

(M/€)	30/09/2024	30/09/2023	30/06/2024
Fixed Assets	169.6	167.5	168.2
Operating Net Working Capital	414.1	381.0	281.6
Other current asset (liabilities)	42.2	13.2	31.0
Other non-current asset (liabilities)	(46.0)	(51.8)	(45.1)
Net Invested Capital [pre IFRS16]	579.9	509.9	435.6
RoU Assets [IFRS16]	138.6	106.7	99.4
Net Invested Capital	718.5	616.6	534.9
Cash	(101.8)	(114.4)	(163.5)
Short-term debt	225.7	155.4	142.0
Medium/long-term debt ⁽¹⁾	84.9	116.0	88.9
Financial assets	(10.4)	(9.3)	(9.6)
Net financial debt [pre IFRS16]	198.4	147.7	57.9
Net Equity [pre IFRS16]	381.5	362.2	377.7
Funding sources [pre IFRS16]	579.9	509.9	435.6
Lease liabilities [IFRS16]	146.0	112.9	106.2
Net financial debt	344.3	260.6	164.0
Net Equity	374.1	356.0	370.9
Funding sources	718.5	616.6	534.9

⁽¹⁾ Including the amount due within 1 year

⁽²⁾ Net financial debt pre IFRS 16

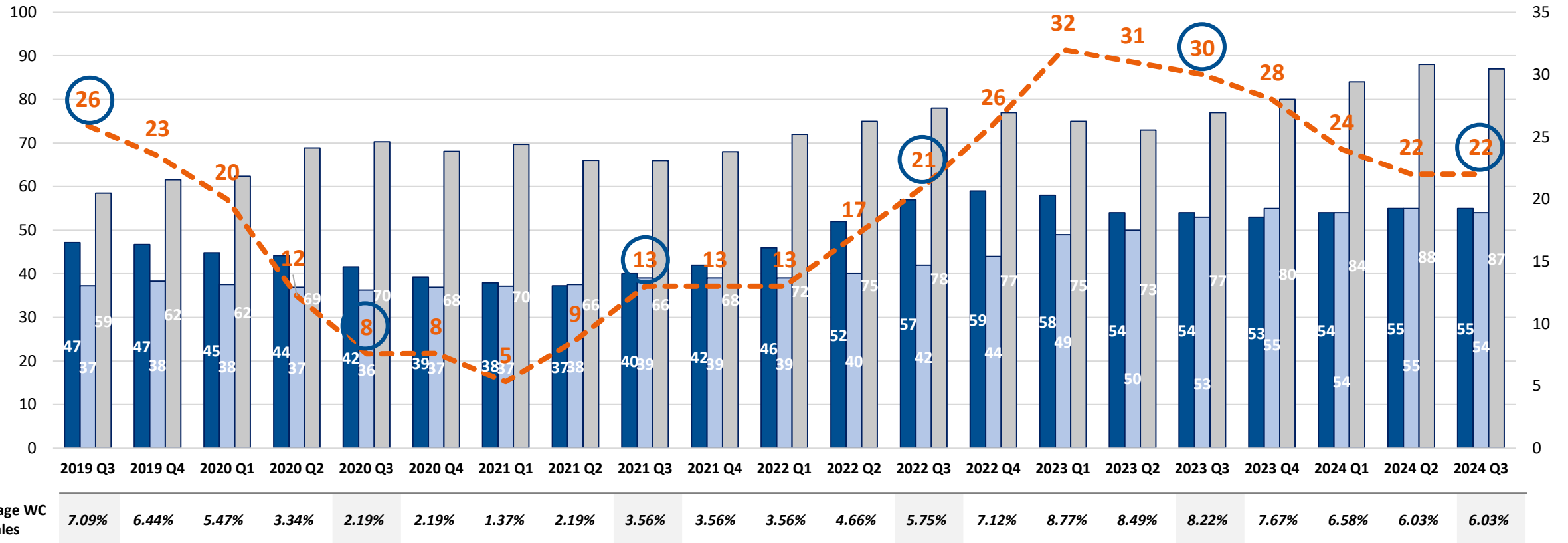
- Net Invested Capital as of September 30th, 2024 stands at 718.5 M€ and is covered by:
 - Shareholders' equity for 374.1 M€ (356.0 M€ as of September 30th, 2023);
 - Cash negative for 344.3 M€ (negative for 260.6 M€ as of September 30th, 2023).
- Operating Net Working Capital impact:

(M/€)	30/09/2024	30/06/2024	31/03/2024	31/12/2023	30/09/2023
Inventory	682.5	610.2	582.2	514.8	614.2
Trade receivables	571.2	518.7	608.8	698.6	548.5
Trade payables	839.6	847.3	873.9	1,109.3	781.7
Operating Net Working Capital	414.1	281.6	317.1	104.1	381.0

The Group will remain committed on the path of a clear improvement in Working Capital and a further reduction in Net Debt by the end of the year.

The Group is focused on inventory management on one hand and on the other hand on getting longer payment terms from suppliers so to fund growth having moved to higher IT Resellers sales, whose receivables are usually not covered by factoring programs. Factoring programs, mostly for Retailers, were Euro 297.1 million as of September 30th, 2024, compared to Euro 244.0 million as of September 30th, 2023.

Working Capital Metrics 4-qtr average



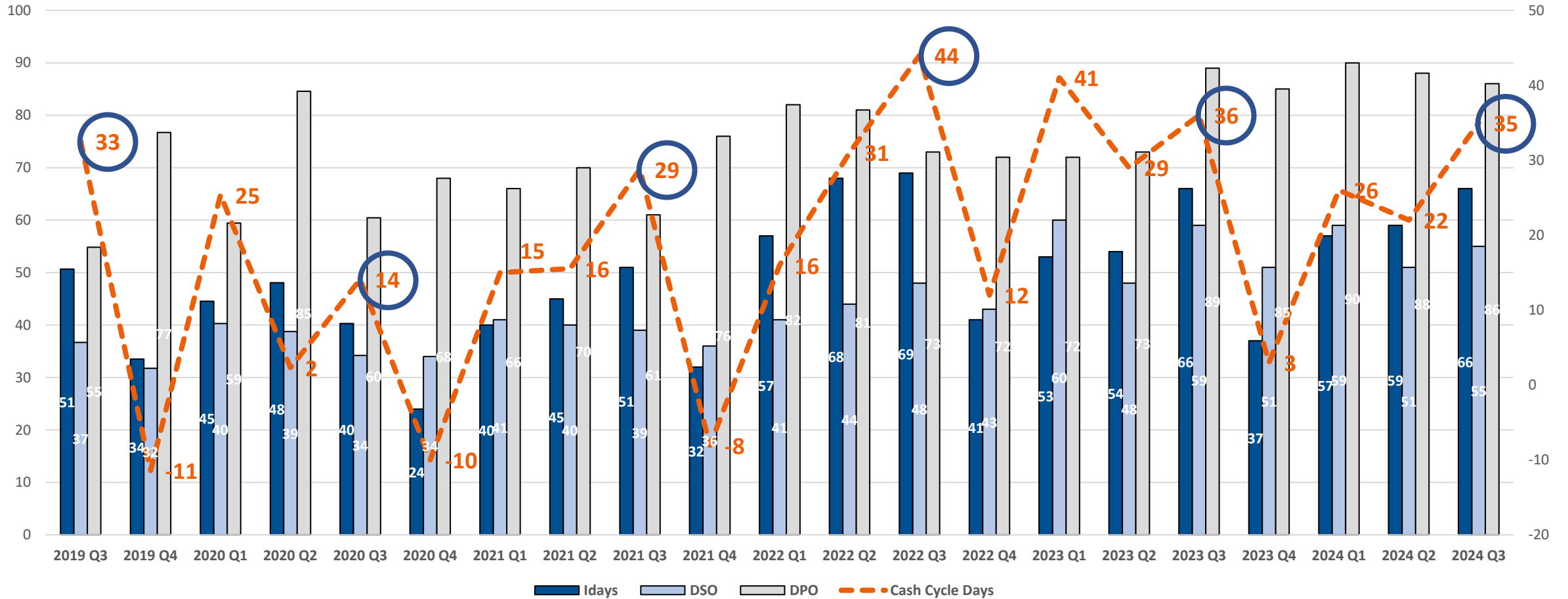
■ Idays ■ DSO ■ DPO - - - Cash Cycle Days

Working capital unchanged from previous quarter due to:

- unchanged inventory days;
- decrease in DSO (-1 day);
- decrease in DPO (-1 day).

Idays (Inventory Days): 4-qtr average of (quarter-end Inventory / quarterly Sales * 90)
 DSO (Days of Sales Outstanding): 4-qtr average of (quarter-end Trade Receivables / quarterly Sales * 90)
 DPO (Days of Purchases Outstanding): 4-qtr average of (quarter-end Trade Payables / quarterly Cost of Sales * 90)

Working Capital Metrics quarter-end

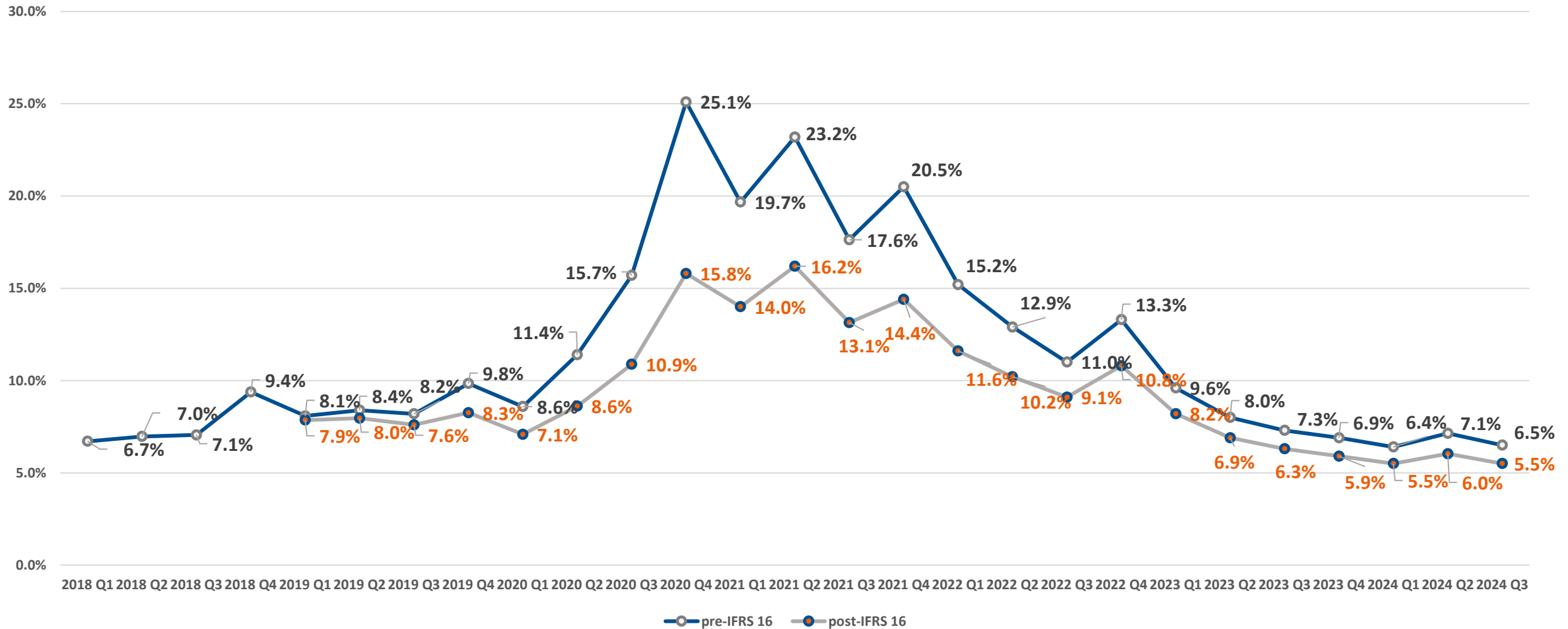


Average WC on Sales

8.92%	-3.13%	6.95%	0.63%	3.86%	-2.74%	4.11%	4.26%	7.89%	-2.21%	4.38%	8.49%	12.05%	3.29%	11.23%	7.95%	9.86%	0.82%	7.12%	6.03%	9.59%
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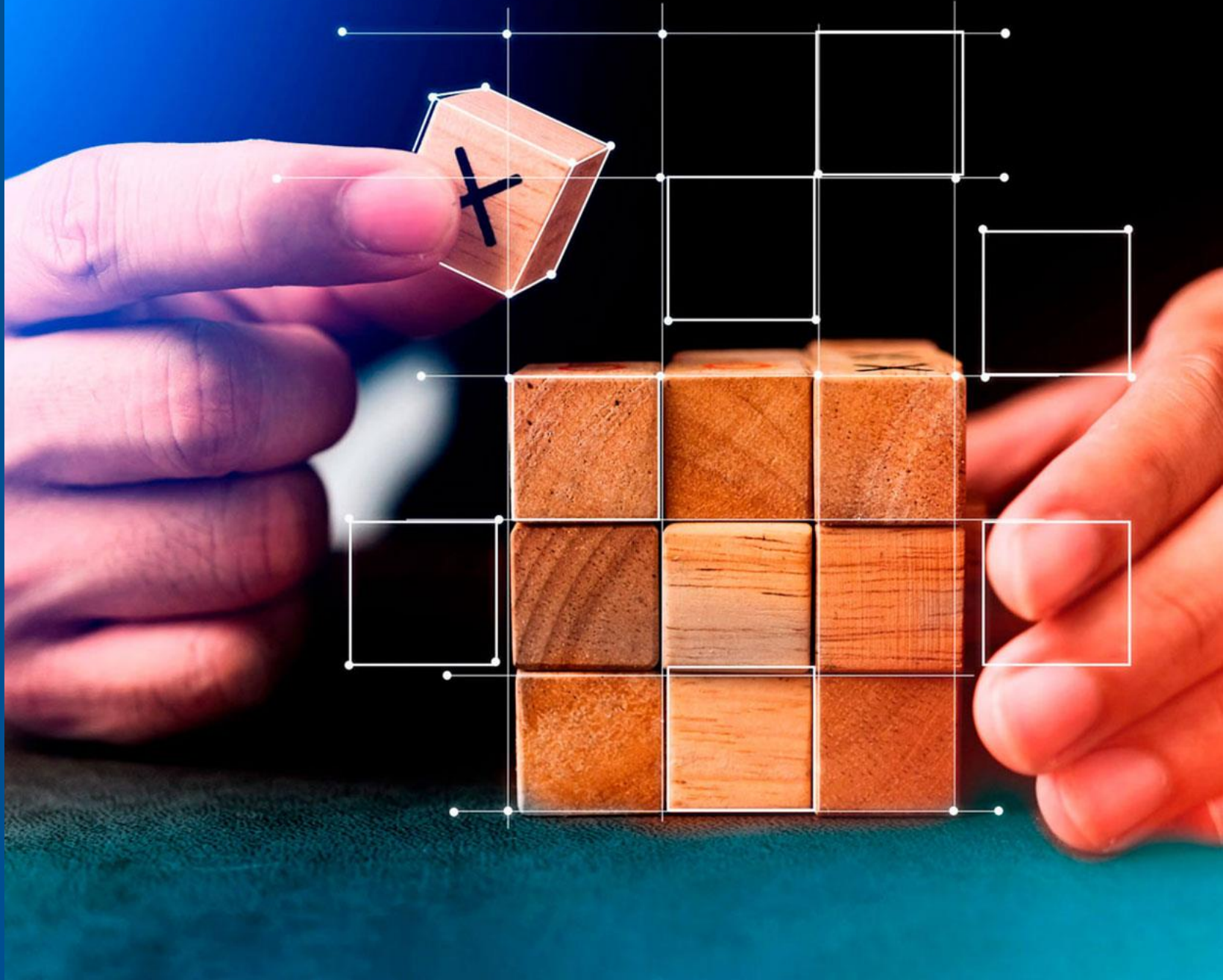
Idays (Inventory Days): quarter-end Inventory / quarterly Sales * 90
 DSO (Days of Sales Outstanding): quarter-end Trade Receivables / quarterly Sales * 90
 DPO (Days of Purchases Outstanding): quarter-end Trade Payables / quarterly Cost of Sales * 90

ROCE Evolution Up To Q3 2024



Average Capital Employed last 5 quarters: equal to the average of "Loans" at the closing date of the period and at the four previous quarterly closing dates
 NOPAT Adj last 4 quarters: equal to the sum of the EBIT of the last four quarters less adjusted taxes.
 ROCE: NOPAT Adj last 4 quarters / Average Capital Employed last 5 quarters

FINAL REMARKS



Final Remarks

OUTLOOK OF INTERESTING LONG-TERM GROWTH IN TERMS OF PROFITABILITY AND EXPANSION OF THE ICT MARKET

ONGOING RESULTS RECAP

- **ICT distribution market: back to growth**
Q3-24 growth confirms an overall positive sentiment even more so considering the acceleration against a flattish Q2-24.
- **Group market share further strengthened**
The Group once again outperformed the market: the focus on the high-margin segment of Solutions and Services significantly contributed to this growth, but the Group also recorded significant results in the Screens segment, seizing the opportunities linked to the return to growth of PCs more than its competitors.
- **Cost control initiatives**
Very strict cost control, despite the impact of last year's acquisitions, resulted in profitability resilience.
- **Working Capital management**
Beyond the business seasonality, the Group is working to maintain the right balance between inventory days and payment terms to suppliers, making appropriate use of factoring programs for customers.

In light of the results as of September 30TH 2024 and in the context described above,

THE GROUP CONFIRMS ITS EXPECTATIONS FOR THE CURRENT FINANCIAL YEAR, WHICH FORESEES AN ADJ. EBITDA BETWEEN EURO 66 AND 71 MILLION COMPARED TO EURO 64.1 MILLION LAST YEAR.

LOOKING FORWARD

- According to the sector analysts, **the ICT market is returning to growth**, exceeding GDP growth.
- Despite the outlook for the Eurozone economy remains highly uncertain, influenced by external shocks and global developments. **the tech sector remains a powerful engine for business growth.**
- **Growth in the Infrastructure segment**, essential in the digital transformation path **is likely to continue.**
- After the high B2B investments of recent years, **replacement cycle has begun** but have yet to express its full potential.
- After the pandemic, household demand has shifted towards the outdoor segment. We are now seeing a **more balanced approach between outdoor and indoor spending.**
- **Product innovation, linked above all to Artificial Intelligence**, will be an important driver: not only for the investments in data centers and software, but in the next quarters more and more devices (PCs & smartphones more specifically) equipped with artificial intelligence will be introduced in the market.
- The ICT sector faces attractive long-term growth prospects in terms of profitability and size. Not only is the acceleration of data and AI opening up a **significant market for services that will help companies invest in technology as a cost-efficiency enabler, but we are also already seeing continued adjacencies being conquered.**



Q&A

Upcoming Events

EVENT	DATE
European MidCap Conference - Virtual Edition organized by Intermonte	November 27, 2024
Mid & Small in Milan 2024 organized by Virgilio IR	December 3, 2024

Thank you

GRAZIE • GRACIAS • OBRIGADO • DANKE • MERCI • 감사 • 謝謝 • 感謝

