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enabling your tech experience

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Intermonte | European MidCap Conference - Virtual Edition

November 27, 2024

# Forward Looking Statement

This presentation may contain forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein. Forward-looking statements may include, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation, supply and demand. Esprinet has based these forward-looking statements on its view and assumptions with respect to future events and financial performance. Actual financial performance could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. The information contained in this presentation is subject to change without notice and Esprinet does not undertake any duty to update the forward-looking statements, and the estimates and the assumptions associated with them, except to the extent required by applicable laws and regulations.



# AGENDA

The Company

The Industry

Addressing the Concerns

Exploiting the Opportunities

9M 2024 Results



# THE COMPANY



# #1 Tech Enabler in Southern Europe

ESPRINET GROUP IS AN ITALIAN MULTINATIONAL LEADER IN THE DISTRIBUTION OF HIGH-TECH PRODUCTS, IN THE SUPPLY OF APPLICATIONS AND SERVICES FOR DIGITAL TRANSFORMATION AND GREEN TRANSITION



20+ years in business,  
3 main geographies:  
Italy, Spain & Portugal

Strong SMB and  
mid-market focus  
29k customers

Working to provide  
the best customer  
satisfaction

The most complete  
Tech product range  
with 800 brands



## Euronext Milan listed

Esprinet S.p.A. listed on  
the Italian Stock  
Exchange in 2001



## 2023 Sales 4.0 B€

Esprinet S.p.A. undisputed market  
leader with a strong track record  
as a consolidator



## Consistent Growth

Historical stable flow of profitability:  
544 M€ of cumulated Net Profit and  
189 M€ of cumulated dividends  
since 2001<sup>(\*)</sup>



## ~1,800 people

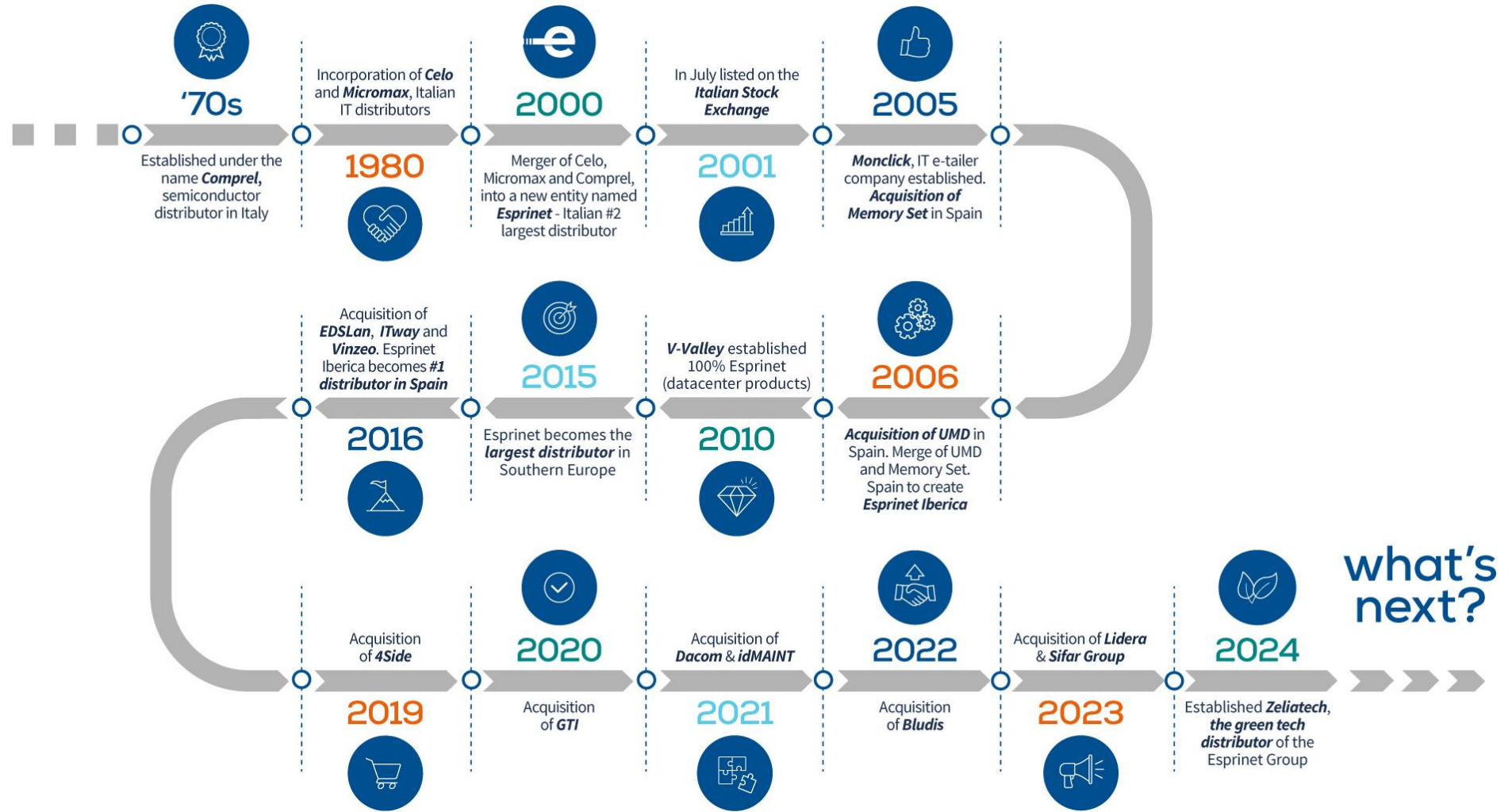
53% female  
47% male






## Strong Capabilities

130,000 SKUs available  
Highly efficient logistics  
processes and systems  
With +174,000 sqm of warehouses

# Building the Future on a 20+ Year Legacy



# Strong & Leading Market Position

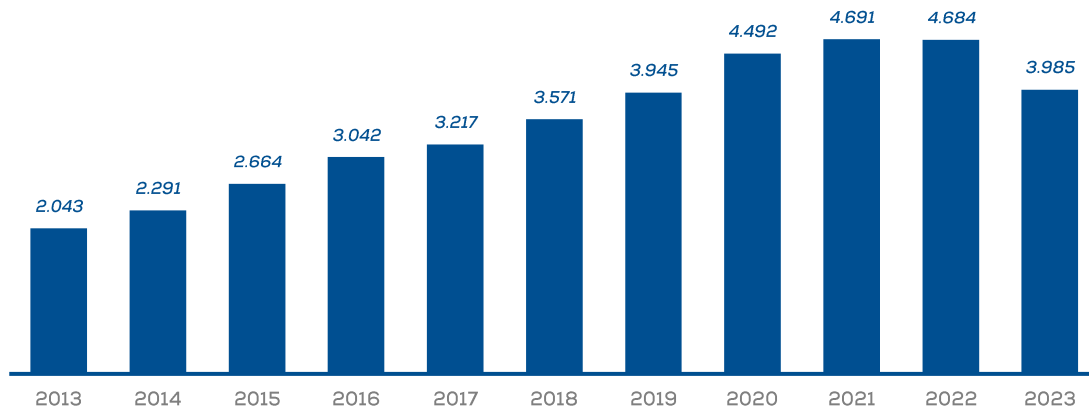
COMPANY	SALES 2023 (M/€)	SHARE			
<b>Esprinet</b>	<b>3.986</b>	<b>21%</b>	•	•	•
TD Synnex	3.541	19%	•	•	•
Ingram Micro	2.440	13%	•	•	•
Computer Gross	2.337	12%	•		
Arrow ECS	1.223	6%	•	•	
MCR	518	3%		•	
Attiva	493	3%	•		
Datamatic	384	2%	•		
Exclusive Networks	381	2%	•	•	
CPCDI	227	1%			•
Inforpor	213	1%		•	
Depau	200	1%		•	
Brevi	178	1%	•		
DMI Computer	145	1%		•	
Globomatik	111	1%		•	
Ticnova	108	1%		•	
Infortisa	107	1%		•	
Westcon	103	1%		•	
Others	2.228	12%	•	•	•
<b>Total (*)</b>	<b>18,819</b>	<b>100%</b>			



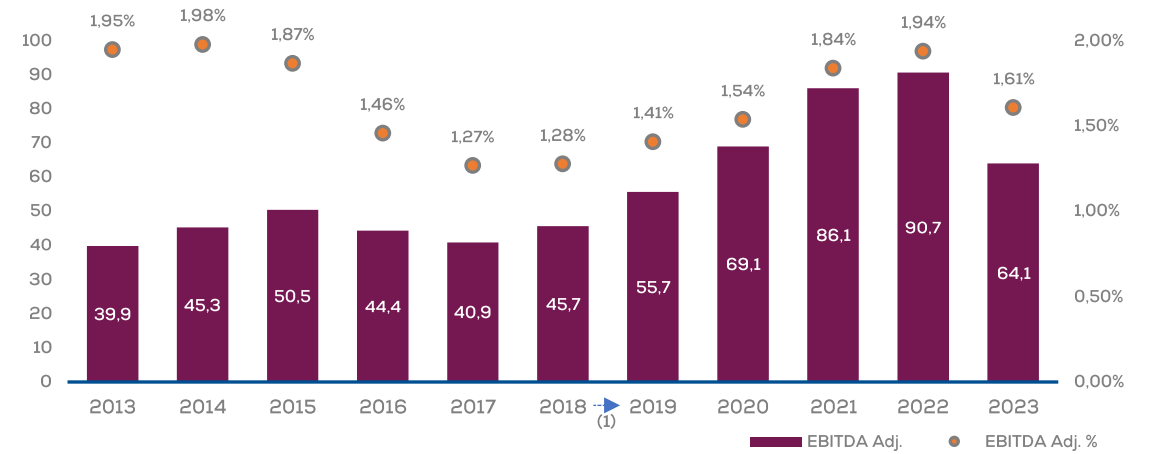
(\*) Based on Company estimates on Context data: conversion from Context panel sales to total distri sales assuming Context Panel represents around 90% of total consolidated distri sales. Adjustment applied to Context panel gross sales of 6.5% (from gross revenue to net revenue).

# Consolidated Results Over the Last Years

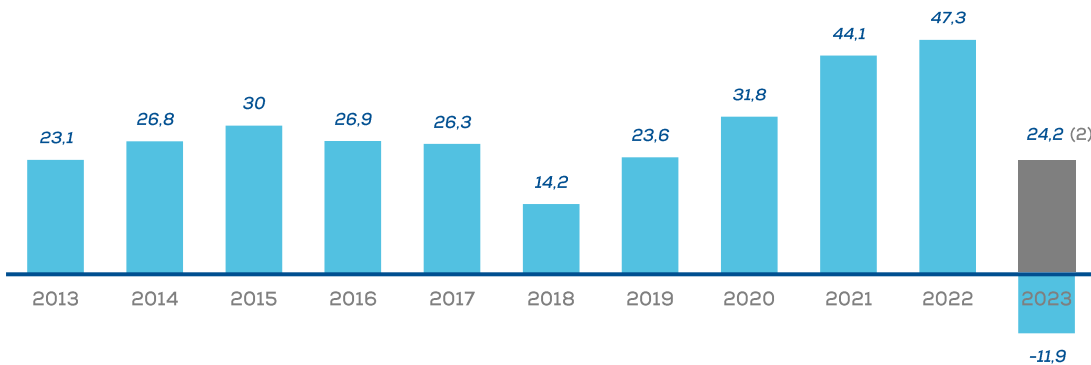
## SALES (EUR/million)



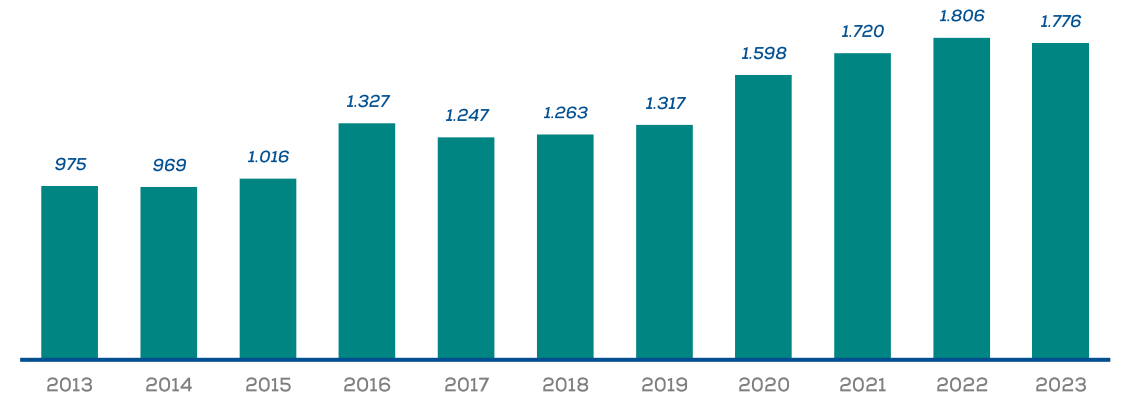
## EBITDA ADJ. (EUR/million)



## NET PROFIT (EUR/million)



## PEOPLE



(1) From 2019 the numbers represented are post-application of accounting standard IFRS 16.

(2) Net Profit Adjusted, gross of Euro 36.1 million mainly incurred by Esprinet S.p.A. in relation to the final agreement reached with the Italian Tax Authorities aimed at settling the VAT claims in relation to tax periods from 2013 to 2017.





# THE INDUSTRY



# The Tech Ecosystem



## PRODUCTS

- **SCREENS:** Pcs, tablets & smartphones
- **DEVICES:** Printing, monitors, components, accessories, white goods, gaming, other CE product
- **SOLUTIONS & SERVICES:** Servers, storage, networking, cybersecurity, software, cloud, autoID, video Surveillance, energy & cabling, services

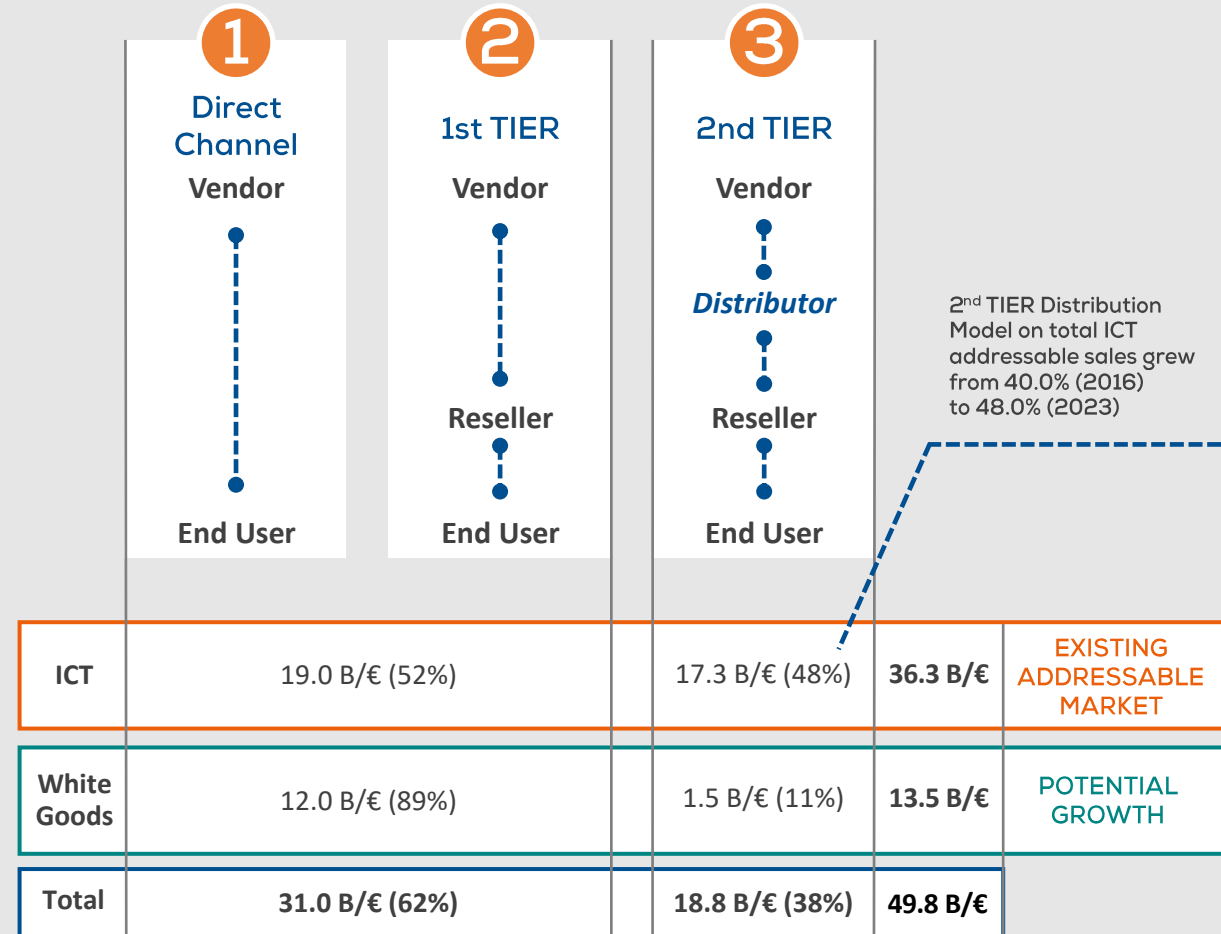


## PLAYERS

- **VENDORS:** producers of ICT services and/or products (i.e. Apple, HP, Lenovo, Microsoft, Intel, Cisco, Samsung, Dell)
- **DISTRIBUTORS:** entities such as Esprinet providing logistics, storage, credit and a wide range of other services (marketing, advisory, IT & digital services) and enabling the flow of goods and services along the tech ecosystem
- **RESELLERS:** entities serving the end-users. A distinction is made between IT reseller/System Integrators (i.e. Bechtle, Cancom, Econocom, Altea, Computacenter, Accenture, NTTData etc.) and Retailer&E-tailers (i.e. Ceconomy, Amazon, Auchan, Carrefour, El Cortes Ingles, Worten, Fnac/Darty)
- **END USERS:** individuals & companies



## Distribution Model



# Vast Market Opportunity

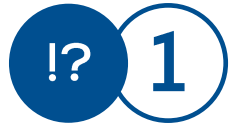
IN THE COMING YEARS, THE DIGITAL TRANSFORMATION TREND WILL CONTINUE TO DRIVE A STRONG INCREASE IN SPENDING ON TECHNOLOGY AND THE DISTRIBUTION CHANNEL WILL REMAIN STRONG IN THE CHOICE OF SUPPLIERS' GO-TO-MARKET STRATEGY.

- **Key industry for digital transformation**
- Despite the economic crisis and political uncertainty, the **tech sector remains a powerful choice for business growth**. As such, organizations should continue to take the opportunity to initiate change by increasing investment in technology.
- **Sector analysts believe that the ICT market is now ready to return to growth**, exceeding GDP growth.
- **Growth in the Infrastructure Hardware segment**, essential in the digital transformation path and reinforced by the massive multi-year government investment for Recovery and Resilience Plans, is **likely to continue with lower rates** than in the recent past. **Software demand will likely be stronger**.
- **Product innovation, linked above all to Artificial Intelligence**, will be another important driver: not only for the investments in data centers and software, but during the year clients (PCs & smartphones) equipped with artificial intelligence will also be introduced in the market, intended to provide a further boost during the current update cycle.
- There are other **emerging areas characterized by a strong rate of innovation** and a notable push towards outsourcing:
  - *cybersecurity* which continues to maintain a crucial role in relation to the challenges and threats related to context that are multiplying;
  - *everything as a service* which will intensify and integrate more and more new features at lower costs;
  - *sustainability*, both in the adoption of software that will allow companies to optimize the increasingly complex ESG management and improve performance, and in the adoption of technologies that will contribute to reducing the impact on the environment.
- **The ICT sector is also conquering adjacencies**: energy efficiency and renewable energy, electric mobility are an example.

# ADDRESSING THE CONCERNS



# The Three Big Concerns of Investor



A middle-man has no reason to exist



Low EBITDA margin is dangerous if revenues fall



A low EBITDA margin company with lots of Working Capital is dangerous

## FACTS:

In the last decade distributors share of the go-to-market of vendors grew year after year up to about 50% of the total volumes sold by vendors

The company is a variable cost entity therefore they can withstand huge shifts of its revenues with proportionally low swings in profitability

The industry exists since the early 90s because distributors are running on high quality assets broadly shielded by vendors or credit insurance companies and the losses derived from assets devaluations (excluding impairment losses) are quite rare

Distributors are a good proxy of the Tech Market and represent a rather low-risk way to bet on the overall tech trends without the risk of betting on the single technology or manufacturer

Distributors provide rather stable cash-flows and possibility of dividend pay-outs

Distributors typically don't require major capital injections if not to fund acquisitions as most of their investments are in Working Capital

# 1) Why a Distributor

## For Vendors

- Reduction of distribution fixed cost
- Buffering stock
- Credit lines & Credit collection capabilities
- Marketing capability
- Need of an aggregator of their products into complex multi-vendor solutions



## For Resellers

- Outsourcing of warehousing and shipping on their behalf
- One-stop-information gathering point
- One-stop-shopping opportunity
- Easiness of doing business against dealing directly with vendors
- No minimum quantity needed to be a valued partner

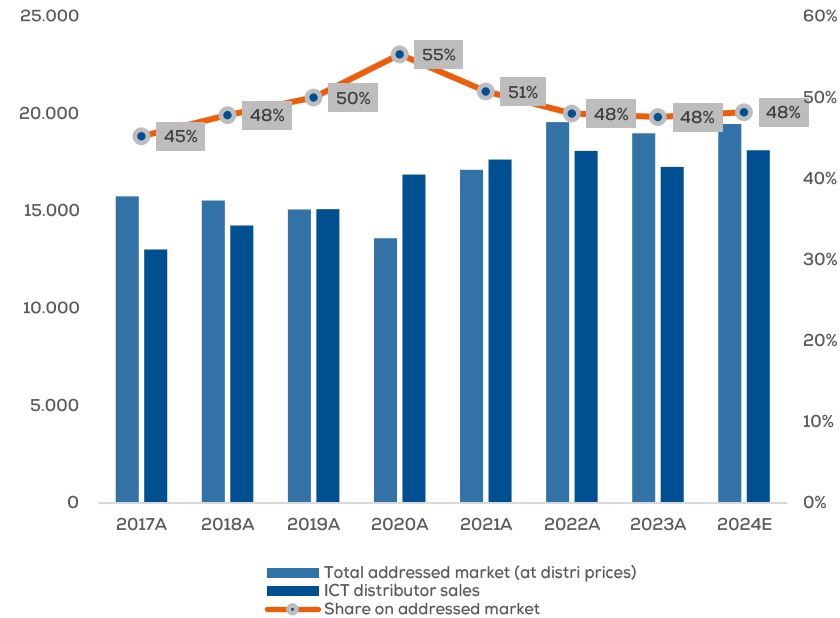


## For Retailers & E-Tailers

- “Fulfilment deals” with Vendors on top selling items
- Category management for accessories
- Home delivery capabilities for White Goods and Large TVs
- E-Tailers use Distributors as a one-stop-shopping for the “Long Tail” of products



ITALY-SPAIN-PORTUGAL:  
TOTAL ICT SPENDING AND SHARE  
OF DISTRIBUTORS (EX-WHITE GOODS)



IDC figures for IT Clients - Advanced Solutions & Smartphones - Euromonitor for other Consumer electronics  
 End-user consumption converted to distri price assuming average 15% margin for resellers/retailers  
 Conversion from Context panel sales to Total distri sales assuming Context Panel represents c.a. 90% of total consolidated distri sales with differences for product categories  
 Adjustment applied to Context panel gross sales of 6.5% (from gross revenue to net revenue)  
 2024 end user market estimates by IDC & Euromonitor as of December 2023  
 2024 distri sales estimated using a flat growth of 5%

## FUTURE

- A trend towards a “Distributor Friendly” model is under development in White Goods
- “As a Service” models require furthermore capability of integrating the Consumption models of multiple vendors in a single easy-to-use interface for resellers.

Distributors provide highly scalable platforms that give emerging (and long-established) suppliers the ability to expand their services globally quickly and cost-effectively.

Hyperscalers do not replicate all of value that distributors provide, including sales, marketing, and billing/collections support.

Distributors are improving platforms and programs that speed and streamline business between vendors and solution providers, working collaboratively relationships with hyperscalers.

## 2) A Flexible P&L and a Well-Funded BS

### High resiliency to swings in revenues or margins

Low fixed costs provide shield against revenue or gross profit reductions<sup>(1)</sup>

Assuming zero variations of fixed costs the **company could withstand up to >40% reduction of revenues or >37% reduction of gross profit before experiencing losses at EBITDA Adj. level.**

	FY 2023	%	Impact of revenue reduction	%	Delta	Delta %
Revenues	3,985,162	100%	2,710,275	100%	-1,274,887	-32.0%
Gross Profit	220,821	5.54%	150,178	5.54%	-70,643	-32.0%
Variable costs	20,324	0.51%	13,822	0.51%	-6,502	-100.0%
Fixed costs	136,356	3.42%	136,356	5.03%	0	0.0%
EBITDA Adj.	64,141	1.61%	0	0.00%	-64,141	-100.0%

	FY 2023	%	Impact of GP% reduction	%	Delta	Delta %
Revenues	3,985,162	100%	3,985,162	100%	0	0,0%
Gross Profit	220,821	5.54%	156,680	3.93%	-64,141	-29.0%
Variable costs	20,324	0.51%	20,324	0.51%	0	0.0%
Fixed costs	136,356	3.42%	136,356	3.42%	0	0.0%
EBITDA Adj.	64,141	1.61%	0	0.00%	-64,141	-100.0%

### Weight of Equity vs. Fixed assets provides vast headroom for working capital management

Ample availability of Net Equity against limited amounts of Invested Capital net of Working Capital provides good headroom to manage working capital seasonality without reverting to bank financing <sup>(2)</sup>.

On average when the company runs at about 20 days of Net Working Capital is cash-neutral (excluding IFRS 16 Lease Liabilities).

(A) Net Equity	367.4
Fixed assets	169.3
Other assets & liabilities	-26.1
RoU Assets [IFRS16 ]	104.6
Lease liabilities [IFRS16]	-111.1
<b>(B) Total Invested Capital ex-NWC</b>	<b>136.7</b>
<b>(C) Funding available for NWC (A-B)</b>	<b>230.7</b>
<b>(D) Revenues 2023</b>	<b>3,985.2</b>
(E) Funding on Revenues (C/D)	5.8%
<b>Cash Cycle Days for NFP neutrality (E * 365)</b>	<b>21.1</b>

(1) Simulations based on 2023 figures – Variable costs are an unaudited management estimate

(2) Balance Sheet figures as of December 31th 2023

# 3) High Quality Assets

## Inventory Risk Mitigants

### Stock Protection Clause

Provided by the vast majority of Vendors in which they assume the risk of inventory devaluation arising from purchase list price reductions planned by the Vendor itself.

### Fulfilment deals stock protection

Vendors might allow the Distributor to purchase products based on a sales forecast agreed upon between the Vendor and the Retailer/Corporate Reseller. Vendors might guarantee the Distributor, either contractually or customarily, that those products will be sold with a predefined margin, essentially shielding the Distributor from the inventory risks that might arise from the need of reducing the sales price or disposing of unsold products.

### Stock Rotation Clause

On specific product categories, i.e. software or pre-packaged services, the Distributor is periodically allowed to ship back obsolete stock in exchange of new products of similar value.



## Factoring & Credit Insurance Policies

### Credit insurance

Large and medium sized distributors routinely apply contracts with top-rated Credit Insurance Companies shielding the risk of default of debtors with deductibles typically between 10% to 15% of the insured value.

### Factoring/Securitization programs

Trade receivables might be sold “without-recourse” to factoring entities or conduits of a trade receivables securitization program, typically major commercial banks but sometimes Vendor financing companies as well. When factoring/securitization happens, being a true-sale, no deductibles are involved and the credit risk is entirely transferred to the factoring company.

### Risk taking

Sometimes distributors might takes some credit risk on their books by issuing a Credit Limit that exceeds the value of the Credit Insurance coverage.



## Credit Notes

The Industry operates with a significant amount of Credit Notes accruals at any given end-period

Vendors routinely operate with commercial programs that envisage significant amounts of price adjustments for multiple reasons such as:

- End-period accruals for target achievements;
- Stock protection;
- Pass through.

Customers as well are entitled to price adjustments such as:

- End-period accruals for target achievements;
- Pass through;
- Co-marketing funds.

### Accounting treatment

At any given quarter-end accruals are made to account for the credit notes pending reception from Vendors and credit notes pending issuing to customers.

Since these are significant and estimated amounts, corrections are possible in particular at the end of the year when most of the reference periods have ended.







# EXPLOITING THE OPPORTUNITIES



# Esprinet Group, One Company Three Dimensions

A complementary model of three companies born in different eras of ICT revolution and today ready to satisfy different demands and different audiences, moving the world forward



**esprinet**  
GROUP

 **esprinet**<sup>®</sup>



- Personal Computing, Office Solutions & Consumer Electronics
- Own Brands (*Celly & Nilox*)
- *Sifar – Mobile Phones Spare Parts & Maintenance*

 **V-Valley**<sup>®</sup>



- Advanced Solutions & Services (Server & Storage, Networking & UCC, Cybersecurity, Software & Cloud)
- Dacom & Idmaint – Data Capture
- Bludis – Emerging Software Brands
- Lidera – Cybersecurity Distributor

 **Zeliatech**<sup>®</sup>



- Green Power, Solar & Photovoltaic technology
- E-mobility
- Smart Building
- High efficiency Datacenter facilities
- Green Services & Refurbishes

# ROCE Driven Strategy

A strategy driven by returning value to shareholders

## NOPAT

### EVOLVING TO VALUE-ADD DISTRIBUTION

- Expanding and investing in new advanced technologies to guide businesses through digital transformation
- Supporting increasingly complex ecosystems, providing vendors and solution providers with access to a dedicated group of advanced technology professionals with technical, sales, and marketing expertise
- Removing much of the complexity for vendors and solution providers with the latest digital platforms and cloud marketplaces

### ENTERING THE SERVICE SPACE & CONQUERING ADJACENCIES

- Providing Services to vendors & resellers: demand driven by greater digitalisation resulting in greater complexity is creating a strong need for distributor-provided services
- Getting a bigger portion of the value in the IT value chain
- Gaining ground in other areas, seizing opportunities deriving from the convergence of some sectors towards technology

## CAPITAL EMPLOYED

### GROWING BUSINESSES WITH LOW WORKING CAPITAL ABSORPTION

Looking at the structure of the balance sheet, optimizing the average invested capital essentially means optimizing the average working capital

The average working capital is optimized if the cash conversion cycle remains less than approx. 20 days

# 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 30<sup>th</sup>, 2024 and September 30<sup>th</sup>, 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

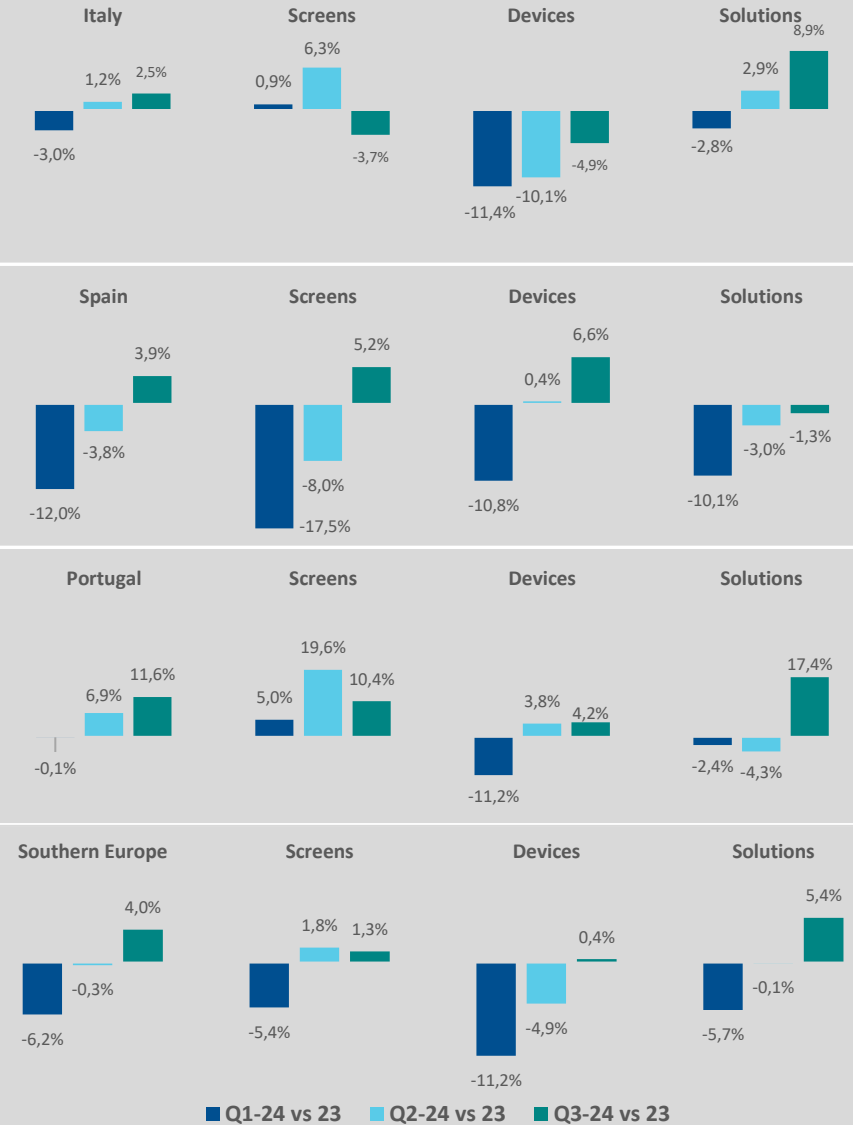
THE GROUP DELIVERED A SOLID Q3-24, CONTINUING SEQUENTIAL STRENGTHENING OF ITS STRATEGIC POSITION IN ITALY AND SPAIN AND IN THE HIGH MARGIN BUSINESS SEGMENTS. THE GROUP HAS ALSO FULLY SEIZED THE OPPORTUNITIES LINKED TO THE SCREENS SEGMENT, BENEFITING FROM THE RECOVERY IN DEMAND FOR PCs.

	Q3-24 Net Sales As Reported	Q3-24 Gross Sales <sup>(2)</sup>	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 <sup>(1)</sup>	Esprinet				Market <sup>(3)</sup>			
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			
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 <sup>(4)</sup>	201 M€	199 M€	-2%	+0%	629 M€	635 M€	-1%	-5%

By Customer	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

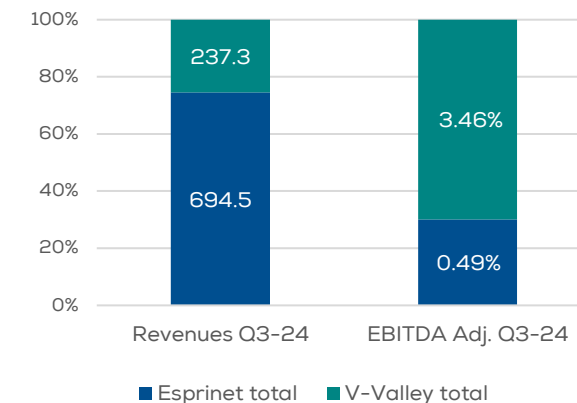
Closes at **6.5%**, down from 7.1% of Q2-24.



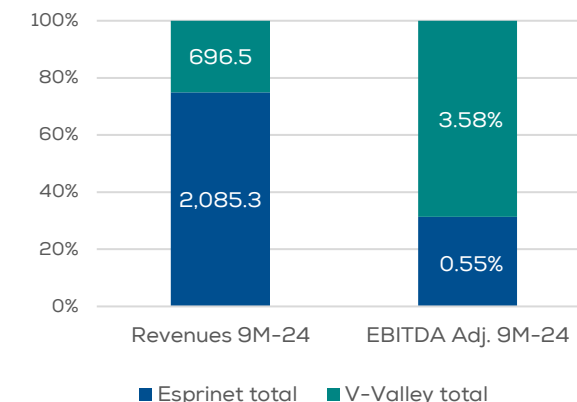


# P&L Q3 & 9M 2024 of the *Four Pillars*

	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%
<b>Total</b>	<b>931.8</b>	<b>839.1</b>	<b>92.7</b>	<b>11%</b>	<b>11.6</b>	<b>11.7</b>	<b>-0.1</b>	<b>-0%</b>	<b>1.25%</b>	<b>1.39%</b>	<b>-0.14%</b>



	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%
<b>Total</b>	<b>2,781.8</b>	<b>2,744.9</b>	<b>36.9</b>	<b>1%</b>	<b>36.3</b>	<b>36.6</b>	<b>-0.3</b>	<b>-1%</b>	<b>1.31%</b>	<b>1.33%</b>	<b>-0.02%</b>



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&amp;A %</i>	<i>4.00%</i>	<i>4.41%</i>		<i>4.22%</i>	<i>4.28%</i>	
<b>EBITDA adj.</b>	<b>11.6</b>	<b>11.7</b>	<b>0%</b>	<b>36.3</b>	<b>36.6</b>	<b>-1%</b>
<i>EBITDA adj. %</i>	<i>1.25%</i>	<i>1.39%</i>		<i>1.31%</i>	<i>1.33%</i>	
<b>EBIT adj.</b>	<b>5.4</b>	<b>6.7</b>	<b>-20%</b>	<b>19.3</b>	<b>22.2</b>	<b>-13%</b>
<i>EBIT adj. %</i>	<i>0.58%</i>	<i>0.80%</i>		<i>0.69%</i>	<i>0.81%</i>	
<b>EBIT</b>	<b>5.4</b>	<b>6.7</b>	<b>-20%</b>	<b>19.3</b>	<b>-4.2</b>	<b>&lt;100%</b>
<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%
<b>Profit before income taxes</b>	<b>2.3</b>	<b>2.8</b>	<b>-18%</b>	<b>8.1</b>	<b>-21.4</b>	<b>&lt;100%</b>
<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	
<b>Net Income</b>	<b>3.3</b>	<b>2.0</b>	<b>67%</b>	<b>6.6</b>	<b>-24.9</b>	<b>&lt;100%</b>
<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 increases 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)
<b>Net Invested Capital [pre IFRS16]</b>	<b>579.9</b>	<b>509.9</b>	<b>435.6</b>
RoU Assets [IFRS16]	138.6	106.7	99.4
<b>Net Invested Capital</b>	<b>718.5</b>	<b>616.6</b>	<b>534.9</b>
Cash	(101.8)	(114.4)	(163.5)
Short-term debt	225.7	155.4	142.0
Medium/long-term debt <sup>(1)</sup>	84.9	116.0	88.9
Financial assets	(10.4)	(9.3)	(9.6)
<b>Net financial debt [pre IFRS16]</b>	<b>198.4</b>	<b>147.7</b>	<b>57.9</b>
<b>Net Equity [pre IFRS16]</b>	<b>381.5</b>	<b>362.2</b>	<b>377.7</b>
<b>Funding sources [pre IFRS16]</b>	<b>579.9</b>	<b>509.9</b>	<b>435.6</b>
Lease liabilities [IFRS16]	146.0	112.9	106.2
<b>Net financial debt</b>	<b>344.3</b>	<b>260.6</b>	<b>164.0</b>
<b>Net Equity</b>	<b>374.1</b>	<b>356.0</b>	<b>370.9</b>
<b>Funding sources</b>	<b>718.5</b>	<b>616.6</b>	<b>534.9</b>

<sup>(1)</sup> Including the amount due within 1 year

<sup>(2)</sup> Net financial debt pre IFRS 16

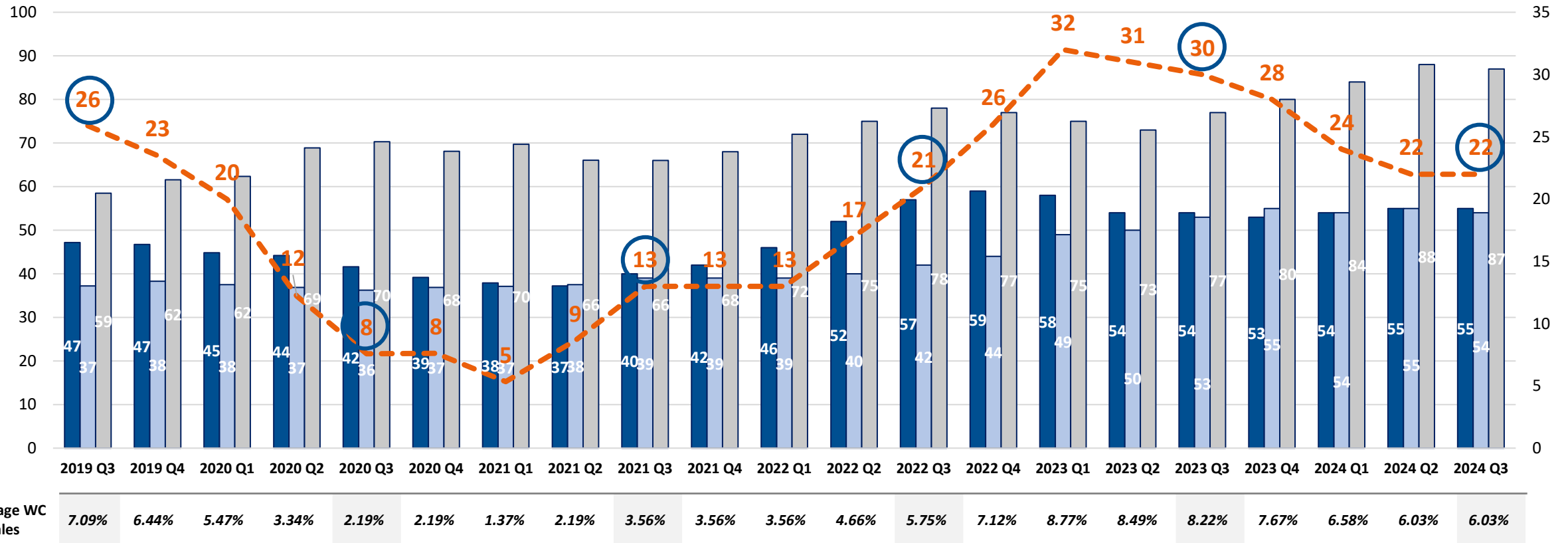
- Net Invested Capital as of September 30<sup>th</sup>, 2024 stands at 718.5 M€ and is covered by:
  - Shareholders' equity for 374.1 M€ (356.0 M€ as of September 30<sup>th</sup>, 2023);
  - Cash negative for 344.3 M€ (negative for 260.6 M€ as of September 30<sup>th</sup>, 2023).
- Operating Net Working 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
<b>Operating Net Working Capital</b>	<b>414.1</b>	<b>281.6</b>	<b>317.1</b>	<b>104.1</b>	<b>381.0</b>

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 30<sup>th</sup>, 2024, compared to Euro 244.0 million as of September 30<sup>th</sup>, 2023.

# Working Capital Metrics 4-qtr average



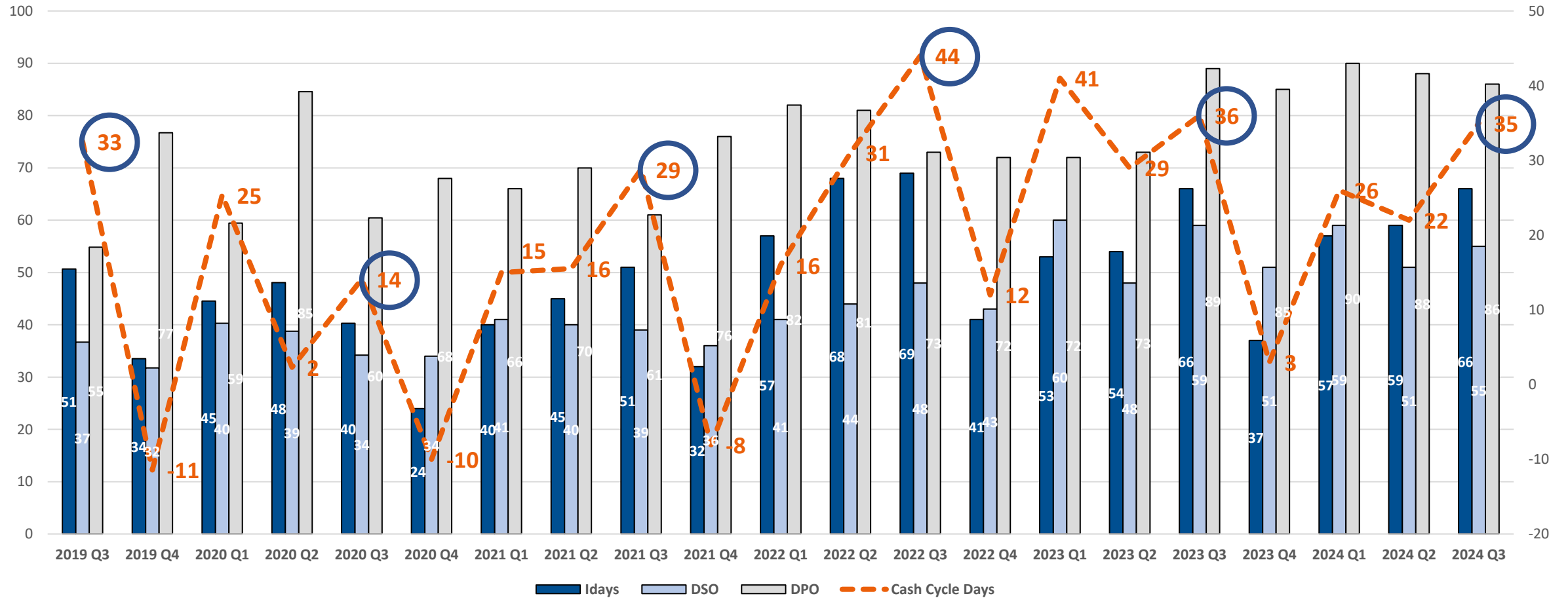
■ Idays   ■ DSO   ■ DPO   - - - Cash Cycle Days

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

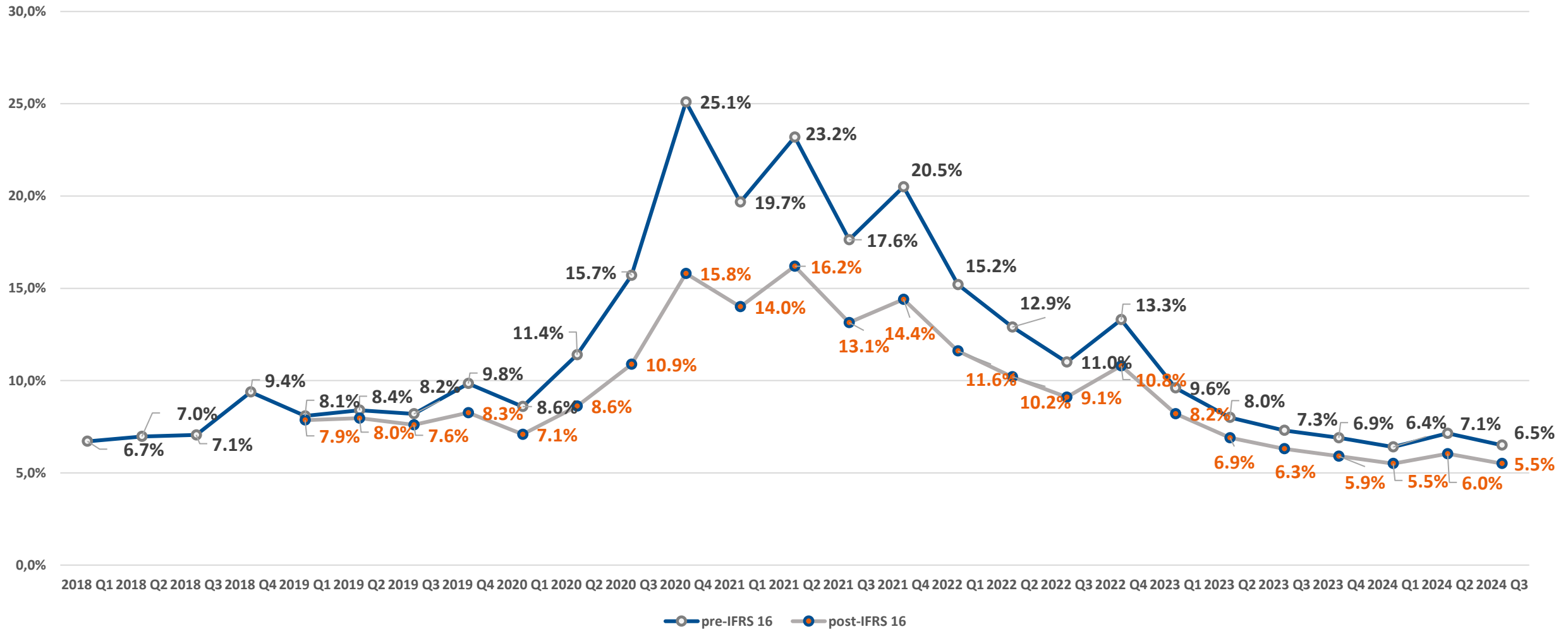


Average WC on Sales

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 30<sup>TH</sup> 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.**



# Thank you

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



# GOVERNANCE



## OUR VISION



### MAKE LIFE EASIER FOR PEOPLE AND FOR ORGANISATIONS

We believe that technology enriches everyone's everyday life, which is why we strive to expand and facilitate its distribution and use.

## OUR MISSION



### BE THE KEY POINT OF CONTACT BETWEEN MANUFACTURES, RESELLERS AND TECHNOLOGY USERS

We want to create value for these key stakeholders and for those who work with us through a strategy of constant, shared growth based on an innovative distribution model.

## OUR VALUES



-  RELIABILITY
-  BRAVERY
-  QUEST OF EXCELLENCE
-  CUSTOMER CENTRICITY
-  TEAMWORK
-  CREATIVITY
-  RESPONSIBILITY
-  LISTENING

# Board Of Directors

NAME	POSITION	EXECUTIVE	INDIPENDENT	CONTROL AND RISK COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE	COMPETITIVENESS AND SUSTAINABILITY COMMITTEE (*)	INDIPENDENT RELATED PARTY TRANSACTIONS COMMITTEE
Maurizio Rota	Chairman						
Marco Monti	Deputy Chairman						
Alessandro Cattani	CEO	●				●	
Luigi Monti	Director		●				
Riccardo Rota	Director		●				
Angelo Miglietta	Director		●	●	●		●
Renata Maria Ricotti	Director		●	●	●		●
Emanuela Prandelli	Director		●			●	
Angela Sanarico	Director		●	●			●
Angela Maria Cossellu	Director		●		●		
Emanuela Teresa Basso Petrino	Director		●			●	

(\*) Giulia Perfetti, Investor Relations & Sustainability Manager of Esprinet, is the fourth member of the committee

# Code & Principles

## Code of Ethics

The Code of Ethics applies to all activities carried out by or in the name and on the behalf of Esprinet S.p.A. and its subsidiaries.

The Code of Ethics:

- establishes the guidelines of conduct and regulates the set of rights, duties and responsibilities that the Group expressly assumes with its stakeholders;
- defines the ethical criteria adopted for a correct balance between expectations and stakeholder interests;
- contains principles and guidelines for conduct in areas of potential ethical risk.

## Code of Conduct

The Esprinet Group wishes to establish trade relations with its vendors and business partners based on transparency, correctness and business ethics. The development of transparent and lasting relationships with vendors, attention to quality, safety and respect for the environment and compliance with existing regulations are objectives to be pursued with a view to consolidating the value created in favour of stakeholders.

Therefore, in connection with the Code of Ethics adopted by Esprinet S.p.A. and its subsidiaries, the Group has defined a Code of Conduct designed to guide relations throughout its supply chain.

## "231" Organisation Model

This document, entitled "Organisation and Management Model pursuant to "Legislative Decree 231/2001" (hereinafter called "the Model"), has been drawn up to implement the terms of ss. 6.1.a and 6.1.b, 6.2, 7.2 and 7.3 of Legislative Decree no. 231 of 08.06.2001 (hereinafter called "the Decree").

The Model is the management reference document which institutes a corporate prevention and control system designed to prevent the offences specified in the Decree from being committed.

The Ethical Code enclosed summarizes the values, correctness and loyalty by which the Esprinet Group is inspired and constitutes the base of our Organizational, Administrative and Control Models. The Code has been adopted by the company in order to prevent any occupational hazards or risks in view of the D. Lgs. 231/2001 law.

On April 15<sup>th</sup>, 2020 the companies Board of Directors accepted a new and updated version of the Organizational, Administrative and Control Models which substitutes the previous version approved on September 11<sup>th</sup>, 2018.

# Star Requirements

Esprinet Spa listed in the STAR Segment\* voluntarily adhere to and comply with strict requirements

- High transparency, disclosure requirements and liquidity (free float of minimum 35%)
- Corporate Governance in line with international standards

*\*The market segment of Borsa Italiana's equity market (MTA-Mercato Telematico Azionario). Dedicated to mid-size companies with a capitalization less than 1.0 euro/bln*

Major requirements for shares to qualify as STAR status

- Interim financial statements available to the public within 45 days from the end of first, third and fourth quarter
- Make the half-yearly report available to the public within 75 days of the end of the first half of the financial year
- Favourable auditor's report on their latest individual and consolidated annual financial statements
- Consolidated annual financial statements not challenged by Consob
- Bi-lingual publication on the websites
- Mandatory presence of a qualified investor relator and a "specialist"
- Adoption of the models provided for in art. 6 of Leg Decree 231/2001
- Application of Corporate Governance Code
- Additional requirements in the article 2.2.3 of Borsa Italiana guidelines

*Esprinet is fully compliant<sup>(1)</sup> with the Code of self-discipline (Corporate Governance Code).*

*<sup>(1)</sup> With minor exceptions which are explained as permitted by the Code in the "Corporate Governance" section of the society*

# Shareholders & Analyst Coverage

DECLARANT & DIRECT SHAREHOLDER	% ON ORDINARY CAPITAL	% ON VOTING CAPITAL
Montinvest S.r.l.	16.33%	16.33%
Axopa S.r.l. (Maurizio Rota and Alessandro Cattani)	12.78%	12.78%
Uliber S.r.l.	11.38%	11.38%
Own shares	1.93%	1.93%
<b>Floating</b>	<b>57.24%</b>	<b>57.24%</b>



Italian Stock Exchange (PRT:IM)

Number of shares: 50.42 million

YTD Average volume of 185,805 shares per day (\*)

(\*) Period: January 1 – June 30, 2024

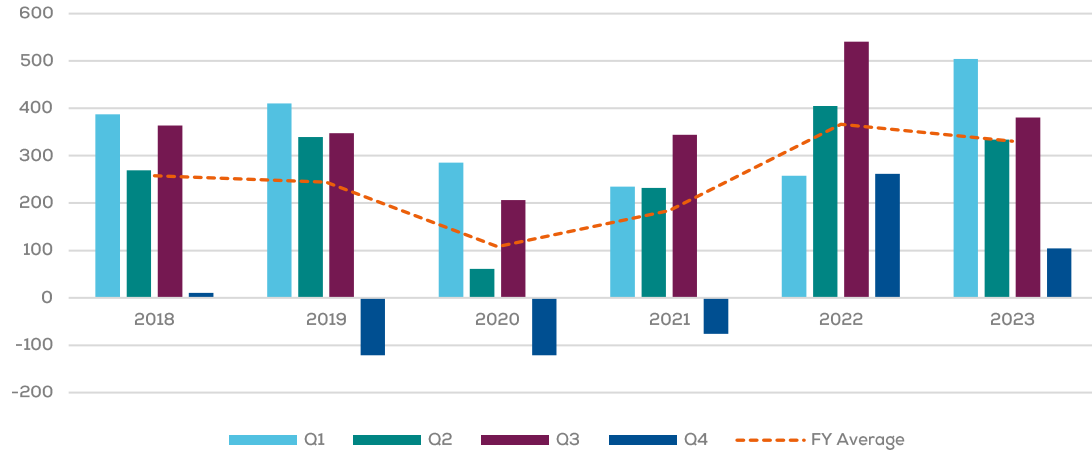
# ANNEX



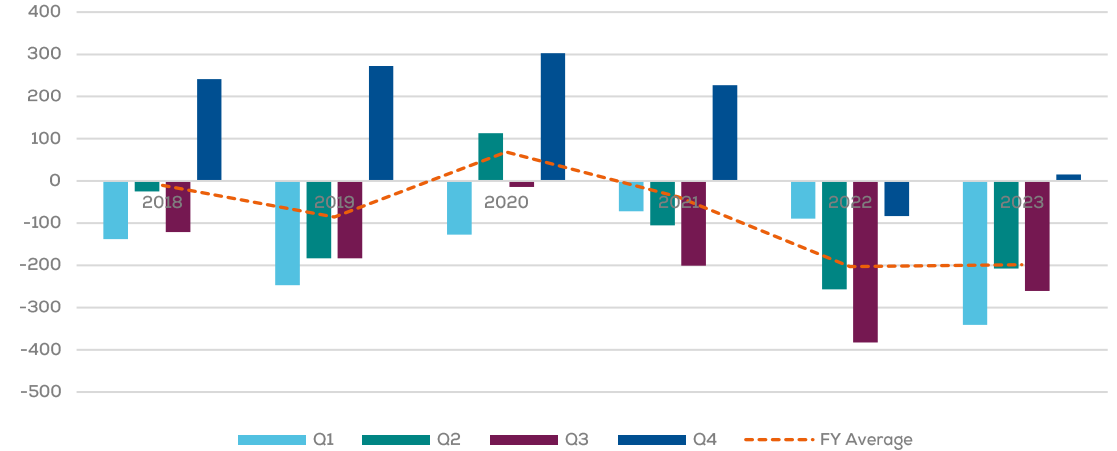


# Shareholders' Value Creation

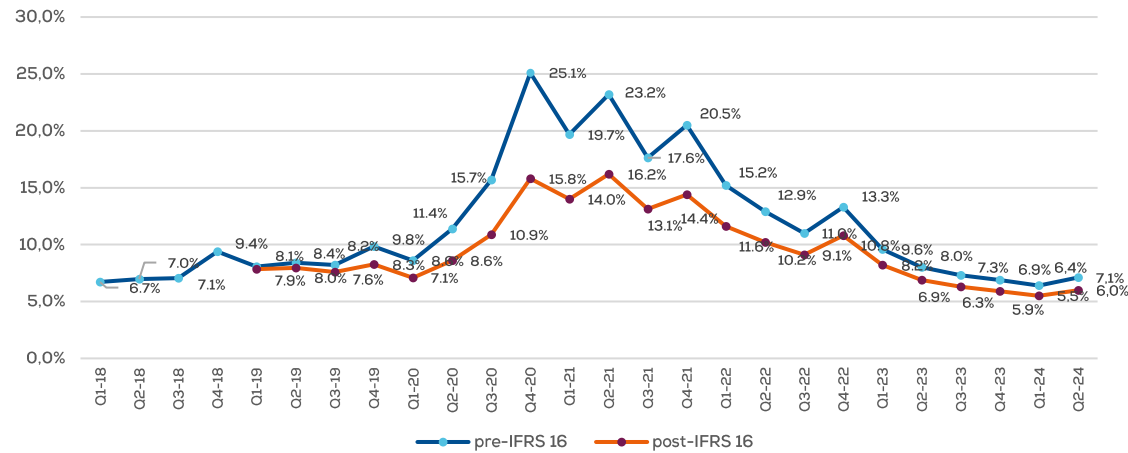
## NET WORKING CAPITAL



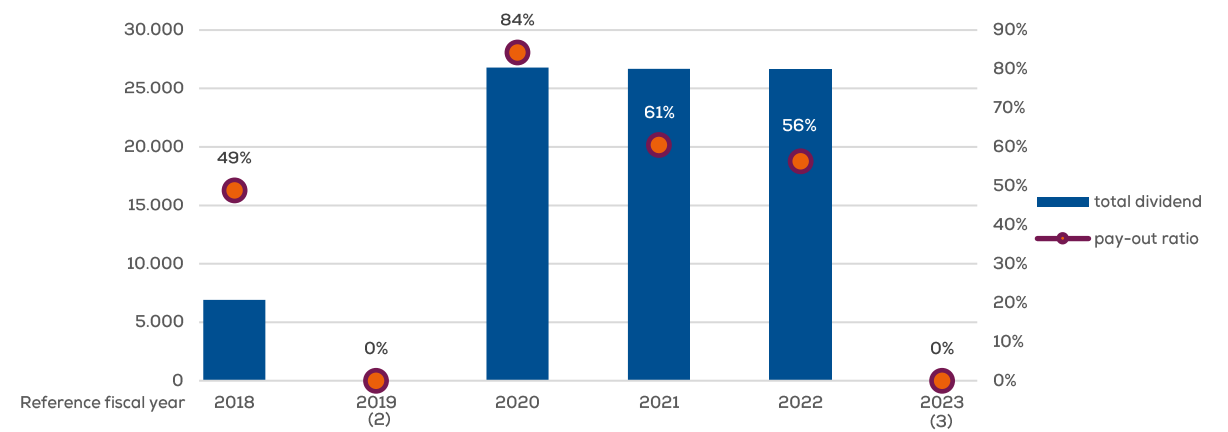
## NET CASH/(DEBT)



## ROCE (1)



## DIVIDENDS



(1) ROCE: NOPAT Adj last 4 quarters / Average Capital Employed last 5 quarters .  
 (2) Payment suspended in 2020 first year of the Covid 19 pandemic and recovered in 2021.  
 (3) The Board of Directors resolved to propose to the Shareholders' Meeting not to distribute a dividend for 2023.

# P&L FY & Q4 2023 of the *Five Pillars*

**SOLUTIONS & SERVICES MANAGED BY THE V-VALLEY DIVISION REPRESENT NOW ~23% OF TOTAL SALES AND EXCEED PCS, PERIPHERALS AND CONSUMER ELECTRONICS IN PROFITABILITY.**

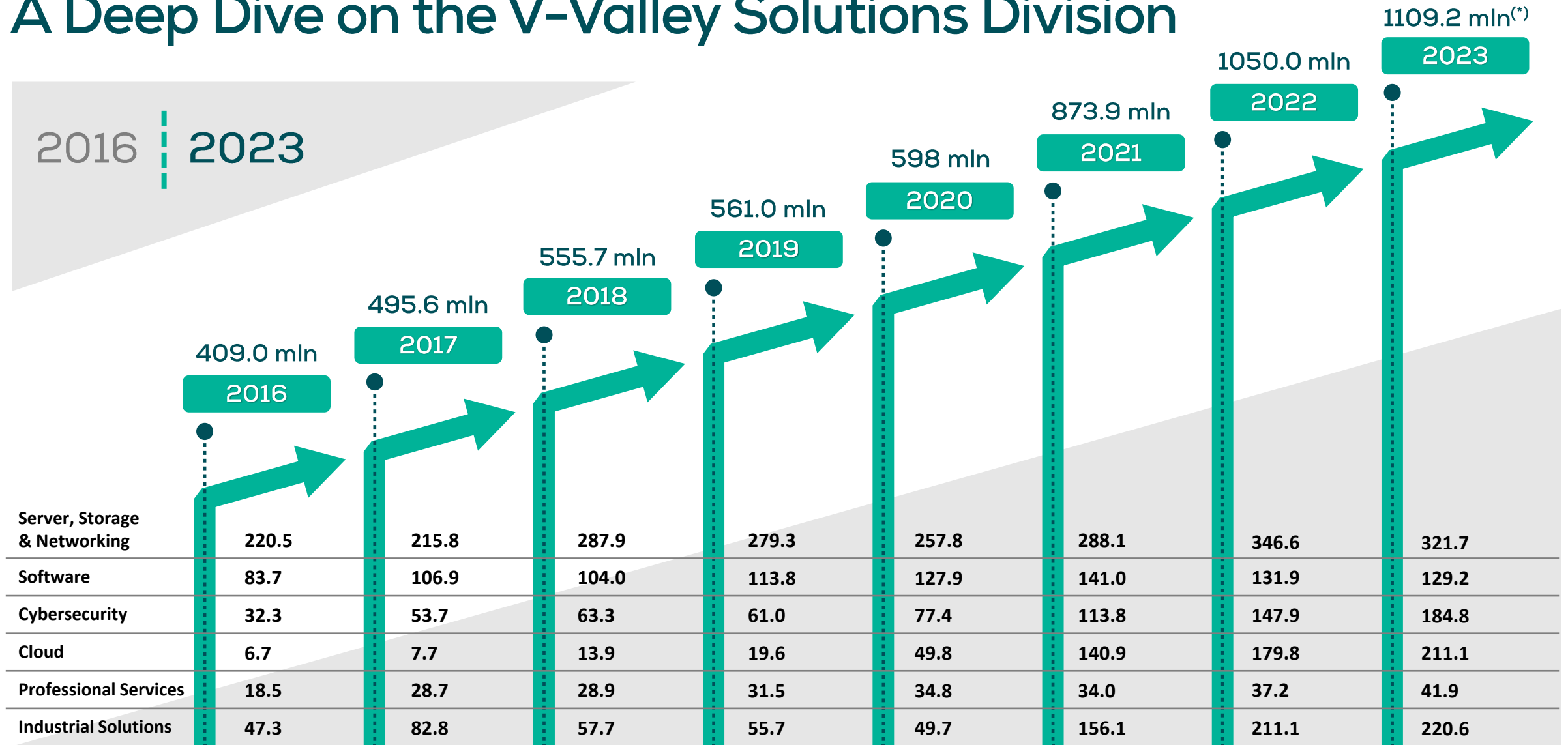
	Revenues				EBITDA Adj.				EBITDA Margin Adj.		
	2023	2022	Delta	Δ %	2023	2022	Delta	Δ %	2023	2022	Delta
Screens	2,128.2	2,722.2	-594.1	-22%	19.2	30.9	-11.7	-38%	0.90%	1.14%	-0.23%
Devices	896.1	1,003.5	-107.4	-11%	13.9	22.9	-9.0	-39%	1.55%	2.28%	-0.73%
Own Brands	40.7	58.4	-17.7	-30%	-3.8	-1.4	-2.4	>100%	-9.34%	-2.40%	-6.94%
<b>Esprinet total</b>	<b>3,065.0</b>	<b>3,784.1</b>	<b>-719.2</b>	<b>-19%</b>	<b>29.3</b>	<b>52.4</b>	<b>-23.1</b>	<b>-44%</b>	<b>0.96%</b>	<b>1.38%</b>	<b>-0.43%</b>
Solutions	907.0	882.8	24.2	3%	29.6	31.9	-2.3	-7%	3.26%	3.61%	-0.35%
Services	13.2	17.3	-4.1	-24%	5.3	6.4	-1.2	-18%	39.39%	36.99%	2.40%
<b>V-Valley total</b>	<b>920.2</b>	<b>900.1</b>	<b>20.1</b>	<b>2%</b>	<b>34.8</b>	<b>38.3</b>	<b>-3.5</b>	<b>-9%</b>	<b>3.78%</b>	<b>4.26%</b>	<b>-0.47%</b>
<b>Total</b>	<b>3,985.2</b>	<b>4,684.2</b>	<b>-699.0</b>	<b>-15%</b>	<b>64.1</b>	<b>90.7</b>	<b>-26.6</b>	<b>-29%</b>	<b>1.61%</b>	<b>1.94%</b>	<b>-0.33%</b>

	Revenues				EBITDA Adj.				EBITDA Margin Adj.		
	Q4 2023	Q4 2022	Delta	Δ %	Q4 2023	Q4 2022	Delta	Δ %	Q4 2023	Q4 2022	Delta
Screens	648.1	826.6	-178.6	-22%	10.1	14.0	-3.9	-28%	1.56%	1.69%	-0.14%
Devices	278.9	310.5	-31.6	-10%	6.1	6.5	-0.4	-7%	2.19%	2.09%	0.09%
Own Brands	11.1	16.2	-5.1	-32%	-0.8	-0.1	-0.7	>100%	-7.24%	-0.62%	-6.62%
<b>Esprinet total</b>	<b>938.0</b>	<b>1,153.3</b>	<b>-215.3</b>	<b>-19%</b>	<b>15.4</b>	<b>20.4</b>	<b>-5.0</b>	<b>-25%</b>	<b>1.64%</b>	<b>1.77%</b>	<b>-0.13%</b>
Solutions	296.6	306.3	-9.7	-3%	10.9	14.2	-3.3	-24%	3.67%	4.64%	-0.96%
Services	5.6	6.9	-1.3	-19%	1.2	1.7	-0.5	-26%	21.43%	24.64%	-3.21%
<b>V-Valley total</b>	<b>302.2</b>	<b>313.2</b>	<b>-11.0</b>	<b>-4%</b>	<b>12.1</b>	<b>15.9</b>	<b>-3.8</b>	<b>-24%</b>	<b>4.00%</b>	<b>5.08%</b>	<b>-1.07%</b>
<b>Total</b>	<b>1,240.2</b>	<b>1,466.5</b>	<b>-226.3</b>	<b>-15%</b>	<b>27.5</b>	<b>36.3</b>	<b>-8.8</b>	<b>-24%</b>	<b>2.22%</b>	<b>2.48%</b>	<b>-0.26%</b>

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.

# A Deep Dive on the V-Valley Solutions Division



(\*) Euro 920.2 million after the application of IFRS 15 in 2023

# Group Revenue by Region, by Channel and by Segment

