

**Esprinet: interim management statement as at 31 March 2019 approved****First quarter 2019 results:**

**Sales from contracts with customers: € 875.5 million (+12% vs € 781.3 million of the first quarter 2018)**

**Gross profit: € 40.8 million (+5% vs € 39.0 million of the first quarter 2018)**

**Operating income (EBIT): € 6.7 million (+26% vs € 5.4 million of the first quarter 2018)**

**Net income: € 2.9 million (-14% vs € 3.4 million of the first quarter 2018)**

**Net financial position as at 31 March 2019 negative by € 247.1 million  
(vs Net financial position as at 31 December 2018 positive by € 241.0 million)**

**Net financial position as at 31 March 2019, excluding the new standards application impacts,  
negative by € 168.6 million<sup>1</sup>  
(vs Net financial position as at 31 December 2018 positive by € 241.0 million)**

**Vimercate (Monza Brianza), 14 May 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 approved the Group's Interim Management Statement as at 31 March 2019, prepared in accordance with IFRS standards.

The Italian ICT distribution market grew +4% in the first quarter of 2019 as compared to 2018 (source: management elaboration on Context data<sup>2</sup>).

Every product category grew except for accessories (-10%) and above all mobile phones (-5%).

"Printing" (printers and consumables) grew +2%, PCs were up +8% and the "advanced solutions" (i.e. "datacentre" or "value" products) grew +1%.

In such an environment Esprinet sales were up +11% therefore increasing its market share in the Italian market by +1 point (with +2 points of share in the "advanced solutions" and in PCs).

The market share in Smartphones was down -5 points because of a drop in sales almost three times higher than the market average.

Business reselles sales were up +2,8% and the Group outperformed the market growing more than twice the average whilst the "Retail" customer segment was up +9% and the Group grew its share in this segment as well.

The Spanish ICT distribution market grew +11% in the first quarter of 2019 as compared to 2018.

Every product category grew (+20% "advanced solutions" and +24% smartphone, among others).

In such an environment Esprinet sales were up +12% therefore increasing its market share in the Spanish market by +0.3 points.

"Consumer electronics" and smartphones were the only product categories where the Group didn't outperform the market (share loss were respectively -4 points and -11 points with the latter due to the exit from a few unprofitable deals).

The group fared particularly well in PCs (+6 points of share) and "printing" with a market share growth of +3 points.

Business reselles sales were up +10% and the Group slightly underperformed the market losing 0,1 points of share.

The "Retail" segment grew by 13% and the Group grew its share in this segment.

<sup>1</sup> Excluding effects from the application of the new standard IFRS 16.

<sup>2</sup> The categorization of customers as 'professional/business' and 'consumer/retail' used in this section is the Context one and, as such, is not completely homogeneous with the categorization used internally by the Group.

The restructuring of the “Sport Technology” line of business was completed during the quarter and new suppliers have been identified. The Nilox sales were up by 50% against Q1-2018 and the management expects to complete the sales of products of the previous generation by the end of Q3 and to have in place a new “line-up” marking the return to normal operational conditions.

The percentage of variable sales, marketing and logistic costs, thanks to the improvements put in place during the last year, was down against Q1 2018 and in line with the levels achieved in Q4 2018. Fixed costs showed moderate growth.

The impact of the structural actions put in place in order to reduce the working capital utilization will be fully measured during the second half of the year.

Sales during the first part of the second quarter of 2019 were sharply up against the previous year, notwithstanding the implementation of very aggressive activities aimed at improving the “Return on Capital Employed” in some combinations of product/customer mostly in the “Retail” segment.

The continuous growth of the weight of distributor sales within the go-to-market routes of the ICT manufacturers is more than counterbalancing a certain weakness in the end-user demand of technology.

The Group is also growing its share thanks to a set of improvements in the customer service levels as well as a reduced level of competitive pressure in the market.

Alessandro Cattani, the Esprinet Group Chief Executive Officer said:

*“During the first three months of 2019 our Group kept on growing its sales and more than proportionally its operating profitability.*

*The distribution channel is more and more the route to market of choice of vendors to reach in an efficient way the end users and because of an excellent job done on customer service our Group is constantly growing its share in this market.*

*I’m particularly pleased of the performance of our “advance solutions” group and I consider very satisfactory the PC segment results as well.*

*During this year we will focus on continuously improving the customer service leveraging the operational efficiency resulting from our leadership in the South-European geographies.”*

#### **A) Esprinet Group’s financial highlights**

The Group’s main earnings, financial and net assets position as at 31 March 2019 are hereby summarised:

(euro/000)	Q1		Q1		Var.	Var. %
	2019	%	2018	%		
<b>Sales from contracts with customers</b>	<b>875,465</b>	<b>100.00%</b>	<b>781,274</b>	<b>100.00%</b>	<b>94,191</b>	<b>12%</b>
Cost of sales	(834,655)	-95.34%	(742,322)	-95.01%	(92,333)	12%
<b>Gross profit</b>	<b>40,810</b>	<b>4.66%</b>	<b>38,952</b>	<b>4.99%</b>	<b>1,858</b>	<b>5%</b>
Sales and marketing costs	(13,210)	-1.51%	(13,390)	-1.71%	180	-1%
Overheads and administrative costs	(20,326)	-2.32%	(19,784)	-2.53%	(542)	3%
Impairment loss/reversal of financial assets	(530)	-0.06%	(427)	-0.05%	(103)	24%
<b>Operating income (EBIT)</b>	<b>6,744</b>	<b>0.77%</b>	<b>5,351</b>	<b>0.68%</b>	<b>1,393</b>	<b>26%</b>
Finance costs - net	(2,563)	-0.29%	(708)	-0.09%	(1,855)	262%
<b>Profit before income taxes</b>	<b>4,181</b>	<b>0.48%</b>	<b>4,643</b>	<b>0.59%</b>	<b>(462)</b>	<b>-10%</b>
Income tax expenses	(1,250)	-0.14%	(1,230)	-0.16%	(20)	2%
<b>Net income</b>	<b>2,931</b>	<b>0.33%</b>	<b>3,413</b>	<b>0.44%</b>	<b>(482)</b>	<b>-14%</b>
Earnings per share - basic (euro)	0.06		0.07		(0.01)	-14%

For a better comparison with the first quarter 2018, the Group's main financial results, are shown below using the adjusted 31 March 2019 figures without the IFRS 16 standard impact:

(euro/000)	Q1 2019 Pre-IFRS 16	%	Q1 2018	%	Var.	Var. %
<b>Sales from contracts with customers</b>	<b>875,465</b>	<b>100.00%</b>	<b>781,274</b>	<b>100.00%</b>	<b>94,191</b>	<b>12%</b>
Cost of sales	(834,655)	-95.34%	(742,322)	-95.01%	(92,333)	12%
<b>Gross Profit</b>	<b>40,810</b>	<b>4.66%</b>	<b>38,952</b>	<b>4.99%</b>	<b>1,858</b>	<b>5%</b>
Sales and marketing costs	(13,794)	-1.58%	(13,390)	-1.71%	(404)	3%
Overheads and administrative costs	(20,219)	-2.31%	(19,784)	-2.53%	(435)	2%
Impairment loss/reversal of financial assets	(530)	-0.06%	(427)	-0.05%	(103)	24%
<b>Operating income (EBIT)</b>	<b>6,267</b>	<b>0.72%</b>	<b>5,351</b>	<b>0.68%</b>	<b>916</b>	<b>17%</b>
Finance costs - net	(1,517)	-0.17%	(708)	-0.09%	(809)	114%
<b>Profit before income taxes</b>	<b>4,750</b>	<b>0.54%</b>	<b>4,643</b>	<b>0.59%</b>	<b>107</b>	<b>2%</b>
Income tax expenses	(1,373)	-0.16%	(1,230)	-0.16%	(143)	12%
<b>Net income</b>	<b>3,377</b>	<b>0.39%</b>	<b>3,413</b>	<b>0.44%</b>	<b>(36)</b>	<b>-1%</b>

- **Sales from contracts with customers**, equal to € 875.5 million, showed an increase of +12% (€ 94.2 million) compared with € 781.3 million in the first quarter of 2018;
- **The consolidated gross profit** totalled € 40.8 million and showed an increase of +5% (€ 1.9 million) compared with the same period of 2018 as a consequence of higher sales, counterbalanced by a decrease in gross profit margin;
- **Consolidated operating income (EBIT)** for the first quarter 2019 of € 6.7 million, increased by 26% compared to the first quarter of 2018 (€ 1.4 million). The EBIT margin increased to 0.77% from 0.68%, due to higher sales and an improvement in the operating costs margin (-3.89% in the first quarter 2019 vs -4.30% in the first quarter 2018). Excluding the IFRS 16 standard impact, the EBIT increased by +17%, lower than the above-mentioned percentage increase. This was due to the € 0.5 million IFRS16 impact arising from the reversal of higher lease rentals vs the depreciation rates on right-of-use assets recording. The EBIT margin increased from 0.68% in the first quarter 2018 to 0.72%;
- **Consolidated profit before income taxes**, equal to € 4.2 million, showed a decrease of -10% compared with the first quarter 2018, partially offsetting the positive change compared with the increase in EBIT from a worsening of € -1.9 million of finance costs. In the first quarter 2019, this item contained € 1.0 million interest expense from the recognition of lease financial liabilities (equal to € 78.4 million as at 31 March 2019) due to the recognition, pursuant to the IFRS 16, of € 78 million of right-of-use assets not posted in the first quarter 2018. Excluding the above-mentioned effect, the Consolidated profit before income taxes, equal to € 4.8 million, showed an increase of +2% compared with the same period of the previous year. The financial expense worsening is also influenced by the negative foreign exchange management;
- **Consolidated net income** was equal to € 2.9 million, down by -14% (€ -0.5 million) compared with the first quarter 2018. Excluding the IFRS 16 standard impact, Consolidated net income was equal to € 3.4 million, down by -1% compared with the first quarter 2018;
- **Basic earnings per share** as at 31 March 2019, equal to € 0.06 showed a decrease of -14% compared with the value of the first quarter 2018 (€ 0.07).

(euro/000)	31/03/2019	%	31/12/2018	%	Var.	Var. %
Fixed assets	198,823	33.47%	118,502	116.34%	80,321	68%
Operating net working capital	410,606	69.12%	10,443	10.25%	400,163	>100%
Other current assets/liabilities	332	0.06%	(12,667)	-12.44%	12,999	<-100%
Other non-current assets/liabilities	(15,726)	-2.65%	(14,424)	-14.16%	(1,302)	9%
<b>Total uses</b>	<b>594,035</b>	<b>100.00%</b>	<b>101,855</b>	<b>100.00%</b>	<b>492,181</b>	<b>&gt;100%</b>
Short-term financial liabilities	200,071	33.68%	138,311	135.79%	61,760	45%
Lease liabilities	5,630	0.95%	-	0.00%	5,630	-100%
Current financial (assets)/liabilities for derivatives	415	0.07%	610	0.60%	(195)	-32%
Financial receivables from factoring companies	(9,180)	-1.55%	(242)	-0.24%	(8,938)	>100%
Current debts for investments in subsidiaries	1,482	0.25%	1,082	1.06%	400	37%
Other current financial receivables	(11,200)	-1.89%	(10,881)	-10.68%	(319)	3%
Cash and cash equivalents	(56,471)	-9.51%	(381,308)	-374.37%	324,837	-85%
Net current financial debt	130,747	22.01%	(252,428)	-247.83%	383,175	<-100%
Borrowings	44,482	7.49%	12,804	12.57%	31,678	>100%
Lease liabilities	72,798	12.25%	-	0.00%	72,798	-100%
Other non-current financial receivables	(967)	-0.16%	(1,420)	-1.39%	453	-32%
Net financial debt (A)	247,060	41.59%	(241,044)	-236.65%	488,104	<-100%
Net equity (B)	346,975	58.41%	342,898	336.65%	4,077	1%
<b>Total sources of funds (C=A+B)</b>	<b>594,035</b>	<b>100.00%</b>	<b>101,855</b>	<b>100.00%</b>	<b>492,181</b>	<b>&gt;100%</b>

For a better comparison with 31 December 2018 figures, the Group's main financial and net assets position results, are shown below using the adjusted 31 March 2019 figures without the IFRS 16 standard impact:

(euro/000)	31/03/2019 Pre - IFRS 16	%	31/12/2018	%	Var.	Var. %
Fixed assets	120,885	23.43%	118,502	116.34%	2,383	2%
Operating net working capital	409,303	79.31%	10,443	10.25%	398,860	>100%
Other current assets/liabilities	1,585	0.31%	(12,667)	-12.44%	14,252	<-100%
Other non-current assets/liabilities	(15,726)	-3.05%	(14,424)	-14.16%	(1,302)	9%
<b>Total uses</b>	<b>516,048</b>	<b>100.00%</b>	<b>101,855</b>	<b>100.00%</b>	<b>414,193</b>	<b>&gt;100%</b>
Short-term financial liabilities	200,071	38.77%	138,311	135.79%	61,760	45%
Lease liabilities	-	0.00%	-	0.00%	-	-100%
Current financial (assets)/liabilities for derivatives	415	0.08%	610	0.60%	(195)	-32%
Financial receivables from factoring companies	(9,180)	-1.78%	(242)	-0.24%	(8,938)	>100%
Current debts for investments in subsidiaries	1,482	0.29%	1,082	1.06%	400	37%
Other financial receivables	(11,200)	-2.17%	(10,881)	-10.68%	(319)	3%
Cash and cash equivalents	(56,471)	-10.94%	(381,308)	-374.37%	324,837	-85%
Net current financial debt	125,117	24.25%	(252,428)	-247.83%	377,545	<-100%
Borrowings	44,482	8.62%	12,804	12.57%	31,678	>100%
Lease liabilities	-	0.00%	-	0.00%	-	-100%
Other financial receivables	(967)	-0.19%	(1,420)	-1.39%	453	-32%
Net Financial debt (A)	168,633	32.68%	(241,044)	-236.65%	409,676	<-100%
Net equity (B)	347,415	67.32%	342,898	336.65%	4,517	1%
<b>Total sources of funds (C=A+ B)</b>	<b>516,048</b>	<b>100.00%</b>	<b>101,855</b>	<b>100.00%</b>	<b>414,193</b>	<b>&gt;100%</b>

- **Operating net working capital** as at 31 March 2019 was equal to € 410.6 million compared with € 10.4 million as at 31 December 2018. Excluding effects from the application of the new standard IFRS 16, the operating net working capital of the first quarter 2019 was equal to € 409.3 million;

- **Consolidated net financial position** as at 31 March 2019 was negative by € 247.1 million, compared with a cash surplus of € 241.0 million as at 31 December 2018. Excluding impacts of IFRS 16 new standard, resulting in the recognition of lease financial liabilities equal to € 78.4 million euro, the consolidated net financial position as at 31 March 2019, would have been negative by € 168.6 million, compared with a cash surplus of € 241.0 million as at 31 December 2018.

The decrease of spot net cash surplus was due to the development of consolidated net working capital as at 31 March 2019, 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 consolidated financial debt at 31 March 2019 was approx. € 360 million (approx. € 597 million as at 31 December 2018);

- **Consolidated net equity** as at 31 March 2019, equal to € 347.0 million, showed an increase of € 4.1 million compared with € 342.9 million as at 31 December 2018. Excluding the IFRS 16 standard impact, consolidated net equity as at 31 March 2019 was equal to € 347.4 million, up by € 4.5 million compared with € 342.9 million as at 31 December 2018.

## ***B) Financial highlights by geographical area***

### ***B.1) Subgroup Italy***

The main earnings, financial and net assets position results for the Italian subgroup (Esprinet, V-Valley, Nilox Deutschland, 4SIDE and Celly Group) as at 31 March 2019 are hereby summarised:<sup>3</sup>

(euro/000)	Q1		Q1		Var.	Var. %
	2019	%	2018	%		
Sales to third parties	584,563		523,063		61,500	12%
Intercompany sales	12,279		12,466		(187)	-2%
<b>Sales from contracts with customers</b>	<b>596,842</b>		<b>535,529</b>		<b>61,313</b>	<b>11%</b>
Cost of sales	(566,288)	-94.88%	(506,798)	-94.64%	(59,490)	12%
<b>Gross profit</b>	<b>30,554</b>	<b>5.12%</b>	<b>28,731</b>	<b>5.36%</b>	<b>1,823</b>	<b>6%</b>
Sales and marketing costs	(10,263)	-1.72%	(10,370)	-1.94%	107	-1%
Overheads and administrative costs	(15,024)	-2.52%	(14,954)	-2.79%	(70)	0%
Impairment loss/reversal of financial assets	(494)	-0.08%	(380)	-0.07%	(114)	30%
<b>Operating income (EBIT)</b>	<b>4,773</b>	<b>0.80%</b>	<b>3,027</b>	<b>0.57%</b>	<b>1,746</b>	<b>58%</b>

For a better comparison with the first quarter 2018, the Group's main financial results, are shown below using the adjusted 31 March 2019 figures without the IFRS 16 standard impact:

<sup>3</sup> 51% shares in the company were acquired on 20 March 2019.

(euro/000)	Q1 2019 Pre-IFRS 16	%	Q1 2018	%	Var.	Var. %
Sales to third parties	584,563		523,063		61,500	12%
Intercompany sales	12,279		12,466		(187)	-2%
<b>Sales from contracts with customers</b>	<b>596,842</b>		<b>535,529</b>		<b>61,313</b>	<b>11%</b>
Cost of sales	(566,288)	-94.88%	(506,798)	-94.64%	(59,490)	12%
<b>Gross Profit</b>	<b>30,554</b>	<b>5.12%</b>	<b>28,731</b>	<b>5.36%</b>	<b>1,823</b>	<b>6%</b>
Sales and marketing costs	(10,778)	-1.81%	(10,370)	-1.94%	(408)	4%
Overheads and administrative costs	(14,892)	-2.50%	(14,954)	-2.79%	62	0%
Impairment loss/reversal of financial assets	(494)	-0.08%	(380)	-0.07%	(114)	30%
<b>Operating income (EBIT)</b>	<b>4,390</b>	<b>0.74%</b>	<b>3,027</b>	<b>0.57%</b>	<b>1,363</b>	<b>45%</b>

- **Sales from contracts with customers**, equal to € 596.8 million, showed an increase of +11% compared with € 535.5 million in the first quarter of 2018;
- **Gross profit** was equal to € 30.6 million showing an increase of +6% compared with € 28.7 million of the first quarter 2018, mainly due to higher sales, slightly counterbalanced by a gross profit margin decrease (from 5.36% of the first quarter 2018 to 5.12% of the first quarter 2019);
- **Operating income (EBIT)** equal to € 4.8 million, showed an increase of +58% compared with the same period of 2018, with an EBIT margin increased from 0.57% to 0.80% as consequence of higher sales. Excluding the IFRS 16 standard impact, the EBIT increased by +45%, lower than the above-mentioned percentage increase. This was due to the € 0.4 million IFRS16 impact arising from the reversal of higher lease rentals vs the depreciation rates on right-of-use assets recording. The EBIT margin increased from 0.57% in the first quarter 2018 to 0.74%;

(euro/000)	31/03/2019	%	31/12/2018	%	Var.	Var. %
Fixed assets	177,427	39.66%	115,414	74.33%	62,013	54%
Operating net working capital	272,833	60.99%	48,346	31.13%	224,487	>100%
Other current assets/liabilities	7,332	1.64%	830	0.53%	6,502	>100%
Other non-current assets/liabilities	(10,253)	-2.29%	(9,310)	-6.00%	(943)	10%
<b>Total uses</b>	<b>447,339</b>	<b>100.00%</b>	<b>155,280</b>	<b>100.00%</b>	<b>292,059</b>	<b>&gt;100%</b>
Short-term financial liabilities	188,553	42.15%	136,269	87.76%	52,284	38%
Lease liabilities	4,435	0.99%	-	0.00%	4,435	-100%
Current debts for investments in subsidiaries	1,482	0.33%	1,082	0.70%	400	37%
Current financial (assets)/liabilities for derivatives	416	0.09%	613	0.39%	(197)	-32%
Financial receivables from factoring companies	(9,180)	-2.05%	(242)	-0.16%	(8,938)	>100%
Financial (assets)/liab. from/to Group companies	(53,000)	-11.85%	(104,500)	-67.30%	51,500	-49%
Other financial receivables	(11,195)	-2.50%	(10,880)	-7.01%	(316)	3%
Cash and cash equivalents	(44,727)	-10.00%	(180,219)	-116.06%	135,492	-75%
Net current financial debt	76,784	17.16%	(157,877)	-101.67%	234,661	<-100%
Borrowings	11,104	2.48%	12,804	8.25%	(1,700)	-13%
Lease liabilities	55,569	12.42%	-	0.00%	55,569	-100%
Other financial receivables	(967)	-0.22%	(1,420)	-0.91%	453	-32%
Net Financial debt (A)	142,490	31.85%	(146,493)	-94.34%	288,983	<-100%
Net equity (B)	304,849	68.15%	301,773	194.34%	3,076	1%
<b>Total sources of funds (C=A+B)</b>	<b>447,339</b>	<b>100.00%</b>	<b>155,280</b>	<b>100.00%</b>	<b>292,059</b>	<b>&gt;100%</b>

For a better comparison with 31 December 2018 figures, the Group's main financial and net assets position results, are shown below using the adjusted 31 March 2019 figures without the IFRS 16 standard impact:



(euro/000)	31/03/2019 Pre - IFRS 16	%	31/12/2018	%	Var.	Var. %
Fixed assets	117,792	30.39%	115,414	74.33%	2,378	2%
Operating net working capital	271,530	70.04%	48,346	31.13%	223,184	>100%
Other current assets/liabilities	8,594	2.22%	830	0.53%	7,764	>100%
Other non-current assets/liabilities	(10,253)	-2.64%	(9,310)	-6.00%	(943)	10%
<b>Total uses</b>	<b>387,663</b>	<b>100.00%</b>	<b>155,280</b>	<b>100.00%</b>	<b>232,383</b>	<b>&gt;100%</b>
Short-term financial liabilities	188,553	48.64%	136,269	87.76%	52,284	38%
Lease liabilities	-	0.00%	-	0.00%	-	-100%
Current debts for investments in subsidiaries	1,482	0.38%	1,082	0.70%	400	37%
Current financial (assets)/liabilities for derivatives	416	0.11%	613	0.39%	(197)	-32%
Financial receivables from factoring companies	(9,180)	-2.37%	(242)	-0.16%	(8,938)	>100%
Financial (assets)/liab. from/to Group companies	(53,000)	-13.67%	(104,500)	-67.30%	51,500	-49%
Other financial receivables	(11,195)	-2.89%	(10,880)	-7.01%	(316)	3%
Cash and cash equivalents	(44,727)	-11.54%	(180,219)	-116.06%	135,492	-75%
Net current financial debt	72,349	18.66%	(157,877)	-101.67%	230,226	<-100%
Borrowings	11,104	2.86%	12,804	8.25%	(1,700)	-13%
Lease liabilities	-	0.00%	-	0.00%	-	-100%
Other financial receivables	(967)	-0.25%	(1,420)	-0.91%	453	-32%
Net Financial debt (A)	82,486	21.28%	(146,493)	-94.34%	228,979	<-100%
Net equity (B)	305,177	78.72%	301,773	194.34%	3,404	1%
<b>Total sources of funds (C=A+ B)</b>	<b>387,663</b>	<b>100.00%</b>	<b>155,280</b>	<b>100.00%</b>	<b>232,383</b>	<b>&gt;100%</b>

- **Operating net working capital** as at 31 March 2019 was equal to € 272.8 million compared with € 48.4 million as at 31 December 2018. Excluding effects from the application of the new standard IFRS 16, the operating net working capital of the first quarter 2019 was equal to € 271.5 million;
- **Net financial position** as at 31 March 2019, was negative by € 142.5 million, compared with a cash surplus equal to € 146.5 million as at 31 December 2018. Excluding impacts of IFRS 16 new standard, resulting in the recognition of lease financial liabilities equal to € 60.0 million euro, the net financial position as at 31 March 2019, would have been negative by € 82.5 million, compared with a cash surplus of € 241.0 million as at 31 December 2018. The impact of both 'without-recourse' sale and securitization programmes of trade receivables as at 31 March 2019 was approx. € 196 million (approx. € 320 million as 31 December 2018).

## B.2) Subgroup Iberica

The main earnings, financial and net assets position results for the Subgroup Iberica (Esprinet Iberica, Esprinet Portugal, Vinzeo Technologies and V-Valley Iberian) as at 31 March 2019 are hereby summarised:

(euro/000)	Q1		Q1		Var.	Var. %
	2019	%	2018	%		
Sales to third parties	290,902		258,211		32,691	13%
Intercompany sales	-		-		-	0%
<b>Sales from contracts with customers</b>	<b>290,902</b>		<b>258,211</b>		<b>32,691</b>	<b>13%</b>
Cost of sales	(280,612)	-96.46%	(248,058)	-96.07%	(32,554)	13%
<b>Gross profit</b>	<b>10,290</b>	<b>3.54%</b>	<b>10,153</b>	<b>3.93%</b>	<b>137</b>	<b>1%</b>
Sales and marketing costs	(2,947)	-1.01%	(3,021)	-1.17%	74	-2%
Overheads and administrative costs	(5,312)	-1.83%	(4,833)	-1.87%	(479)	10%
Impairment loss/reversal of financial assets	(036)	-0.01%	(047)	-0.02%	11	-23%
<b>Operating income (EBIT)</b>	<b>1,995</b>	<b>0.69%</b>	<b>2,252</b>	<b>0.87%</b>	<b>(257)</b>	<b>-11%</b>

For a better comparison with the first quarter 2018, the Group's main financial results, are shown below using the adjusted 31 March 2019 figures without the IFRS 16 standard impact:

(euro/000)	Q1		Q1		Var.	Var. %
	2019 Pre-IFRS 16	%	2018	%		
Sales to third parties	290,902		258,211		32,691	13%
Intercompany sales	-		-		-	0%
<b>Sales from contracts with customers</b>	<b>290,902</b>		<b>258,211</b>		<b>32,691</b>	<b>13%</b>
Cost of sales	(280,612)	-96.46%	(248,058)	-96.07%	(32,554)	13%
<b>Gross Profit</b>	<b>10,290</b>	<b>3.54%</b>	<b>10,153</b>	<b>3.93%</b>	<b>137</b>	<b>1%</b>
Sales and marketing costs	(3,016)	-1.04%	(3,021)	-1.17%	5	0%
Overheads and administrative costs	(5,338)	-1.83%	(4,833)	-1.87%	(505)	10%
Impairment loss/reversal of financial assets	(036)	-0.01%	(047)	-0.02%	11	-23%
<b>Operating income (EBIT)</b>	<b>1,900</b>	<b>0.65%</b>	<b>2,252</b>	<b>0.87%</b>	<b>(352)</b>	<b>-16%</b>

- **Sales from contracts with customers**, equal to € 290.9 million, showed an increase of +13% compared with € 258.2 million in the first quarter of 2018;
- **Gross profit** as at 31 March 2019 totalled € 10.3 million, showing an increase of +13% compared with € 10.2 million of the same period of 2018 with a gross profit margin decreased from 3.93% to 3.54%;
- **Operating income (EBIT)** equal to € 2.0 million decreased by € -0.3 million (-11%) compared with the first quarter 2018, with an EBIT margin to 0.69% from 0.87%. Excluding the IFRS 16 standard impact, the EBIT decreased by -16%, worse than the above-mentioned percentage decrease. This was due to the € 0.1 million IFRS16 impact arising from the reversal of higher lease rentals vs the depreciation rates on right-of-use assets recording. The EBIT margin decreased from 0.87% in the first quarter 2018 to 0.65%.



(euro/000)	31/03/2019	%	31/12/2018	%	Var.	Var. %
Fixed assets	95,930	43.24%	77,606	357.97%	18,324	24%
Operating net working capital	138,383	62.38%	(37,317)	-172.13%	175,700	<-100%
Other current assets/liabilities	(6,999)	-3.15%	(13,496)	-62.25%	6,497	-48%
Other non-current assets/liabilities	(5,473)	-2.47%	(5,114)	-23.59%	(359)	7%
<b>Total uses</b>	<b>221,841</b>	<b>100.00%</b>	<b>21,679</b>	<b>100.00%</b>	<b>200,162</b>	<b>&gt;100%</b>
Short-term financial liabilities	11,518	5.19%	2,042	9.42%	9,476	>100%
Lease liabilities	1,195	0.54%	-	0.00%	1,195	-100%
Current financial (assets)/liabilities for derivatives	(1)	0.00%	(3)	-0.01%	2	-67%
Financial (assets)/liab. from/to Group companies	53,000	23.89%	104,500	482.02%	(51,500)	-49%
Other financial receivables	(4)	0.00%	(1)	0.00%	(3)	>100%
Cash and cash equivalents	(11,744)	-5.29%	(201,089)	-927.56%	189,345	-94%
Net current financial debt	53,964	24.33%	(94,551)	-436.13%	148,515	<-100%
Borrowings	33,378	15.05%	-	0.00%	33,378	-100%
Lease liabilities	17,229	7.77%	-	0.00%	17,229	-100%
Net Financial debt (A)	104,571	47.14%	(94,551)	-436.13%	199,122	<-100%
Net equity (B)	117,270	52.86%	116,230	536.13%	1,040	1%
<b>Total sources of funds (C=A+B)</b>	<b>221,841</b>	<b>100.00%</b>	<b>21,679</b>	<b>100.00%</b>	<b>200,162</b>	<b>&gt;100%</b>

For a better comparison with 31 December 2018 figures, the Group's main financial and net assets position results, are shown below using the adjusted 31 March 2019 figures without the IFRS 16 standard impact:

(euro/000)	31/03/2019 Pre-IFRS 16	%	31/12/2018	%	Var.	Var. %
Fixed assets	77,628	38.14%	77,606	357.97%	22	0%
Operating net working capital	138,383	67.99%	(37,317)	-172.13%	175,700	<-100%
Other current assets/liabilities	(7,007)	-3.44%	(13,496)	-62.25%	6,489	-48%
Other non-current assets/liabilities	(5,473)	-2.69%	(5,114)	-23.59%	(359)	7%
<b>Total uses</b>	<b>203,531</b>	<b>100.00%</b>	<b>21,679</b>	<b>100.00%</b>	<b>181,852</b>	<b>&gt;100%</b>
Short-term financial liabilities	11,518	5.66%	2,042	9.42%	9,476	>100%
Lease liabilities	-	0.00%	-	0.00%	-	-100%
Current financial (assets)/liabilities for derivatives	(1)	0.00%	(3)	-0.01%	2	-67%
Financial (assets)/liab. from/to Group companies	53,000	26.04%	104,500	482.02%	(51,500)	-49%
Other financial receivables	(4)	0.00%	(1)	0.00%	(3)	>100%
Cash and cash equivalents	(11,744)	-5.77%	(201,089)	-927.56%	189,345	-94%
Net current financial debt	52,769	25.93%	(94,551)	-436.13%	147,320	<-100%
Borrowings	33,378	16.40%	-	0.00%	33,378	-100%
Lease liabilities	-	0.00%	-	0.00%	-	-100%
Net Financial debt (A)	86,147	42.33%	(94,551)	-436.13%	180,698	<-100%
Net equity (B)	117,384	57.67%	116,230	536.13%	1,154	1%
<b>Total sources of funds (C=A+ B)</b>	<b>203,531</b>	<b>100.00%</b>	<b>21,679</b>	<b>100.00%</b>	<b>181,852</b>	<b>&gt;100%</b>

- **Operating net working capital** as at 31 March 2019 was equal to € 138.4 million compared with € - 37.3 million as at 31 December 2018. Excluding effects from the application of the new standard IFRS 16, the operating net working capital of the first quarter 2019 was equal to € 138.4 million;
- **Net financial position** as at 31 March 2019, was negative by € 104.6 million, compared with a cash surplus equal to € 94.6 million as at 31 December 2018. Excluding impacts of IFRS 16 new standard, resulting in the recognition of lease financial liabilities equal to € 18.4 million euro, the net financial position as at 31 March 2019, would have been negative by € 86.2 million, compared with a cash

surplus of € 94.6 million as at 31 December 2018. The impact of both 'without-recourse' sale and receivable financing programmes was approx. € 164 million (approx. € 277 million as at 31 December 2018).

### C) Separate income statement by legal entity

Find below the separate income statement showing the contribution of each legal entities as considered significant.<sup>4</sup>

(euro/000)	Q1 2019													Group
	Italy					Iberian Peninsula					Elim. and other	Total	Elim. and other	
	E.Spa + V-Valley + Nilox GmbH	Celly*	4SIDE	Elim. and other	Total	Esprinet Iberian	Esprinet Portugal	V-Valley Iberian	Vinzeo	Elim. and other				
Sales to third parties	578,587	4,866	1,110	-	584,563	174,154	7,566	4,181	105,001	-	290,902	-	875,465	
Intersegment sales	11,931	504	253	(409)	12,279	5,058	-	197	1,271	(6,526)	-	(12,279)	-	
<b>Sales from contracts with customers</b>	<b>590,518</b>	<b>5,370</b>	<b>1,363</b>	<b>(409)</b>	<b>596,842</b>	<b>179,212</b>	<b>7,566</b>	<b>4,378</b>	<b>106,272</b>	<b>(6,526)</b>	<b>290,902</b>	<b>(12,279)</b>	<b>875,465</b>	
Cost of sales	(562,950)	(2,618)	(1,117)	397	(566,288)	(172,974)	(7,431)	(3,893)	(102,775)	6,462	(280,612)	12,245	(834,655)	
<b>Gross profit</b>	<b>27,568</b>	<b>2,752</b>	<b>246</b>	<b>(12)</b>	<b>30,554</b>	<b>6,238</b>	<b>135</b>	<b>485</b>	<b>3,497</b>	<b>(64)</b>	<b>10,290</b>	<b>(34)</b>	<b>40,810</b>	
<i>Gross Profit %</i>	<i>4.67%</i>	<i>51.25%</i>	<i>18.05%</i>	<i>2.93%</i>	<i>5.12%</i>	<i>3.48%</i>	<i>1.78%</i>	<i>11.08%</i>	<i>3.29%</i>	<i>3.54%</i>	<i>3.54%</i>	<i>(12.279)</i>	<i>4.66%</i>	
Sales and marketing costs	(8,467)	(1,898)	102	-	(10,263)	(1,319)	(131)	(494)	(1,068)	65	(2,947)	-	(13,210)	
Overheads and admin. costs	(13,953)	(689)	(382)	-	(15,024)	(3,440)	(261)	(65)	(1,526)	-	(5,312)	10	(20,326)	
Impairment loss/reversal of financial assets	(481)	(13)	-	-	(494)	(25)	-	3	(14)	-	(36)	-	(530)	
<b>Operating income (Ebit)</b>	<b>4,667</b>	<b>152</b>	<b>(34)</b>	<b>(12)</b>	<b>4,773</b>	<b>1,454</b>	<b>(257)</b>	<b>(91)</b>	<b>889</b>	<b>1</b>	<b>1,995</b>	<b>(24)</b>	<b>6,744</b>	
<i>EBIT %</i>	<i>0.79%</i>	<i>2.83%</i>	<i>-2.49%</i>	<i>2.93%</i>	<i>0.80%</i>	<i>0.81%</i>	<i>-3.40%</i>	<i>-2.08%</i>	<i>0.84%</i>	<i>0.69%</i>	<i>0.69%</i>	<i>(24)</i>	<i>0.77%</i>	
Finance costs - net													(2,563)	
Share of profits of associates													-	
<b>Profit before income tax</b>													<b>4,181</b>	
Income tax expenses													(1,250)	
<b>Net income</b>													<b>2,931</b>	
- of which attributable to non-controlling interests													(9)	
- of which attributable to Group													2,940	

(euro/000)	Q1 2018													Group
	Italy					Iberian Peninsula					Elim. and other	Total	Elim. and other	
	E.Spa + V-Valley + Nilox GmbH	Mosaico	Celly*	Edslan	Elim. and other	Total	Esprinet Iberica	Esprinet Portugal	V-Valley Iberian	Vinzeo + Tope				
Sales to third parties	503,892	9,564	4,843	4,764	-	523,063	131,274	6,737	1,917	118,283	-	258,211	-	781,274
Intersegment sales	13,046	2,193	943	8,094	(11,810)	12,466	5,080	-	41	609	(5,730)	-	(12,466)	-
<b>Sales from contracts with customers</b>	<b>516,938</b>	<b>11,757</b>	<b>5,786</b>	<b>12,858</b>	<b>(11,810)</b>	<b>535,529</b>	<b>136,354</b>	<b>6,737</b>	<b>1,958</b>	<b>118,892</b>	<b>(5,730)</b>	<b>258,211</b>	<b>(12,466)</b>	<b>781,274</b>
Cost of sales	(492,673)	(10,800)	(3,184)	(11,963)	11,822	(506,798)	(130,982)	(6,540)	(1,721)	(114,536)	5,721	(248,058)	12,534	(742,322)
<b>Gross profit</b>	<b>24,265</b>	<b>957</b>	<b>2,602</b>	<b>895</b>	<b>12</b>	<b>28,731</b>	<b>5,372</b>	<b>197</b>	<b>237</b>	<b>4,356</b>	<b>(9)</b>	<b>10,153</b>	<b>68</b>	<b>38,952</b>
<i>Gross Profit %</i>	<i>4.69%</i>	<i>8.14%</i>	<i>44.97%</i>	<i>6.96%</i>	<i>-0.10%</i>	<i>5.36%</i>	<i>3.94%</i>	<i>2.92%</i>	<i>12.10%</i>	<i>3.66%</i>	<i>(0.33%)</i>	<i>3.93%</i>	<i>(12.466)</i>	<i>4.99%</i>
Sales and marketing costs	(7,934)	(409)	(1,725)	(303)	1	(10,370)	(1,445)	(110)	(292)	(1,177)	3	(3,021)	1	(13,390)
Overheads and admin. costs	(13,808)	(233)	(733)	(179)	(1)	(14,954)	(3,164)	(172)	(71)	(1,431)	5	(4,833)	3	(19,784)
Impairment loss/reversal of financial assets	(338)	-	(20)	(23)	1	(380)	(6)	-	(44)	2	-	(47)	-	(427)
<b>Operating income (Ebit)</b>	<b>2,185</b>	<b>315</b>	<b>124</b>	<b>390</b>	<b>13</b>	<b>3,027</b>	<b>757</b>	<b>(85)</b>	<b>(170)</b>	<b>1,750</b>	<b>(1)</b>	<b>2,252</b>	<b>72</b>	<b>5,351</b>
<i>EBIT %</i>	<i>0.42%</i>	<i>2.68%</i>	<i>2.14%</i>	<i>3.03%</i>	<i>-0.11%</i>	<i>0.57%</i>	<i>0.56%</i>	<i>-1.26%</i>	<i>-8.68%</i>	<i>1.47%</i>	<i>0.87%</i>	<i>0.87%</i>	<i>(12.466)</i>	<i>0.68%</i>
Finance costs - net														(708)
Share of profits of associates														-
<b>Profit before income tax</b>														<b>4,643</b>
Income tax expenses														(1,230)
<b>Net income</b>														<b>3,413</b>
- of which attributable to non-controlling interests														40
- of which attributable to Group														3,373

\* 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 securitization):

<sup>4</sup> 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)	Q1 2019	%	Q1 2019 reclassified	%	Var.	Var. %
<b>Sales from contracts with customers</b>	<b>875,465</b>	<b>100.00%</b>	<b>875,465</b>	<b>100.00%</b>	-	<b>0%</b>
Cost of sales	(834,655)	-95.34%	(833,704)	-95.23%	(951)	0%
<b>Gross Profit</b>	<b>40,810</b>	<b>4.66%</b>	<b>41,761</b>	<b>4.77%</b>	<b>(951)</b>	<b>-2%</b>
Sales and marketing costs	(13,210)	-1.51%	(13,210)	-1.51%	-	0%
Overheads and administrative costs	(20,326)	-2.32%	(20,326)	-2.32%	-	0%
Impairment loss/reversal of financial assets	(530)	-0.06%	(530)	-0.06%	-	0%
<b>Operating income (EBIT)</b>	<b>6,744</b>	<b>0.77%</b>	<b>7,695</b>	<b>0.88%</b>	<b>(951)</b>	<b>-12%</b>
Finance costs - net	(2,563)	-0.29%	(3,514)	-0.40%	951	-27%
<b>Profit before income taxes</b>	<b>4,181</b>	<b>0.48%</b>	<b>4,181</b>	<b>0.48%</b>	-	<b>0%</b>
Income tax expenses	(1,250)	-0.14%	(1,250)	-0.14%	-	0%
<b>Net income</b>	<b>2,931</b>	<b>0.33%</b>	<b>2,931</b>	<b>0.33%</b>	-	<b>0%</b>

### ***E) Significant events occurring in the period***

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

#### **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 22 February 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, 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 deed was signed on 20 March 2019.

### **Medium term loans in favour of the subsidiaries Esprinet Iberica and Vinzeo**

During the quarter, within a group plan aimed at capitalising on their own financial capabilities, Esprinet Iberica and Vinzeo signed n. 6 unsecured "amortising" term loans with duration from 3 to 5 years for a total of 42.0 million euro of which 34.0 million in favour of Esprinet and 8.0 million euro in favour of Vinzeo.

### **Developments in legal and tax disputes**

With reference to the writ of summons served on 6 February 2019, relating to the 'Sport Technology' products line, no developments occurred comparing with 31 December 2018 Financial Statements disclosures.

### **Developments in tax disputes**

The main events occurred since 1 January 2019 till the date of this interim report are as follows:

On 12 February 2019, litigation relating to a € 1 million euro, plus penalties and interest, VAT assessment, served to the company in November 2016, was bought before the Regional Tax Commission. The tax authority claimed that some transactions are taxable in respect of which a customer had previously filed a declaration of intent, but later failed to fulfil the requirements needed to qualify as a frequent exporter.

At the date of this interim report, the judgement is pending.

On 13 February 2019, the Provincial Tax Commission filed a judgement rejecting the Company's claim against a July 2018 notice of assessment claiming VAT on taxable transactions entered with a customer for 66 thousand euro, plus penalties and interest.

The Company will challenge against the judgement.

On 20 December 2018, the company was served a notice relating to an assessment claiming VAT for 2013 of 14.5 million euro, plus penalties and interest, due to alleged non-application of VAT to transactions with frequent exporters.

The Company appointed its advisors to appeal against the notice of assessment.

### **F) Subsequent events**

Relevant events occurred after period end are briefly described below:

#### **Esprinet S.p.A. Annual Shareholders Meeting**

On 8 May 2018, Esprinet Shareholders' Meeting approved the separate financial statements for the fiscal year ended at 31 December 2018 and the distribution of a dividend of € 0.135 per ordinary share, corresponding to a pay-out ratio of 49%.<sup>5</sup>

The dividend payment was scheduled from 15 May 2019, ex-coupon no. 14 on 13 May 2019 and record date on 14 May 2019.

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;
- authorised, subject to prior revocation of former authorization resolved on the Shareholder's Meeting of May 4th 2018, the acquisition and disposal of own shares according to art. 2357 and subs. of Italian Civil Code, art. 132 of Legislative Decree 58/98, art. 73, 144-bis and Appendix 3A, Schedule 4 of CONSOB Resolution 11971 of 14 May 1999 ("Issuer Regulations"), to Regulation (EU) 596/2014 and Delegated Regulation (EU) 2016/1052 and other current laws and regulations;

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<sup>5</sup> Based on Esprinet Group's consolidated net profit

- authorised the 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 to PricewaterhouseCoopers S.p.A.

#### **Medium term loans in favour of Vinzeo**

On 9 May, Vinzeo signed an unsecured “amortising” 3-year term loan of 5.0 million euro.

In addition, a 3-year revolving facility of another 5.0 million was approved and will be signed on next 21 May.

#### **DECLARATION EX ART. 154-bis, paragraph 2 Legislative Decree n.58/1998 (T.U.F.)**

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 Article 154 bis of Legislative Decree n.58/1998 (T.U.F.), the financial data shown in this press release corresponds to the findings resulting from accounting documents, books and accounting records.

*Annex: Summary of economic and financial results as at March 2019*

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 results

(euro/000)	notes	Q1		Q1		% var. 19/18
		2019	%	2018	%	
<b><u>Profit &amp; Loss</u></b>						
Sales from contracts with customers		875,465	100.0%	781,274	100.0%	12%
Gross profit		40,810	4.7%	38,952	5.0%	5%
EBITDA	(1)	10,377	1.2%	6,571	0.8%	58%
Operating income (EBIT)		6,744	0.8%	5,351	0.7%	26%
Profit before income tax		4,181	0.5%	4,643	0.6%	-10%
Net income		2,931	0.3%	3,413	0.4%	-14%
<b><u>Financial data</u></b>						
Cash flow	(2)	6,527		4,580		
Gross investments		1,036		568		
Net working capital	(3)	410,938		(2,224)		
Operating net working capital	(4)	410,606		10,443		
Fixed assets	(5)	198,823		118,502		
Net capital employed	(6)	594,036		101,855		
Net equity		346,975		342,898		
Tangible net equity	(7)	177,288		251,579		
Net financial debt	(8)	247,061		(241,044)		
<b><u>Main indicators</u></b>						
Net financial debt / Net equity		0.7		(0.7)		
Net financial debt / Tangible net equity		1.4		(1.0)		
EBIT / Finance costs - net		2.6		7.6		
EBITDA / Finance costs - net		4.0		9.3		
Net financial debt/ EBITDA		23.8		(8.4)		
<b><u>Operational data</u></b>						
N. of employees at end-period		1,265		1,248		
Average number of employees	(9)	1,264		1,248		
<b><u>Earnings per share (euro)</u></b>						
- Basic		0.06		0.07		-14%
- Diluted		0.06		0.06		0%

<sup>(1)</sup> EBITDA is equal to the operating income (EBIT) gross of amortisation, depreciation and accruals for risks and charges.

<sup>(2)</sup> Sum of consolidated net profit and amortisations.

<sup>(3)</sup> Sum of current assets, non-current assets held for sale and current liabilities, gross of current net financial debts.

<sup>(4)</sup> Sum of trade receivables, inventory and trade payables.

<sup>(5)</sup> Equal to non-current assets net of non-current financial assets for derivatives.

<sup>(6)</sup> 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.

<sup>(7)</sup> Equal to net equity less goodwill and intangible assets.

<sup>(8)</sup> Sum of financial debts, lease liabilities, cash availability, assets/liabilities for financial derivatives and financial receivables from factoring.

<sup>(9)</sup> 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)	31/03/2019	related parties *	31/12/2018	related parties *
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13,348		13,327	
Right of use assets	77,900		-	
Goodwill	91,033		90,595	
Intangible assets	754		724	
Deferred income tax assets	13,737		11,884	
Receivables and other non-current assets	3,018	1,633	3,392	1,554
	<b>199,790</b>	<b>1,633</b>	<b>119,922</b>	<b>1,554</b>
<b>Current assets</b>				
Inventory	509,071		494,444	
Trade receivables	422,139	2	383,865	-
Income tax assets	2,861		3,421	
Other assets	45,660	1,278	29,610	1,310
Cash and cash equivalents	56,471		381,308	
	<b>1,036,203</b>	<b>1,280</b>	<b>1,292,651</b>	<b>1,310</b>
<b>Disposal groups assets</b>				
	-		-	
<b>Total assets</b>	<b>1,235,993</b>	<b>2,913</b>	<b>1,412,573</b>	<b>2,864</b>
<b>EQUITY</b>				
Share capital	7,861		7,861	
Reserves	334,106		319,831	
Group net income	2,940		14,031	
<b>Group net equity</b>	<b>344,907</b>		<b>341,723</b>	
<b>Non-controlling interests</b>	<b>2,068</b>		<b>1,175</b>	
<b>Total equity</b>	<b>346,975</b>		<b>342,898</b>	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	44,482		12,804	
Lease liabilities	72,798		-	
Deferred income tax liabilities	8,621		8,138	
Retirement benefit obligations	4,765		4,397	
Provisions and other liabilities	2,340		1,889	
	<b>133,006</b>		<b>27,228</b>	
<b>Current liabilities</b>				
Trade payables	520,604	-	867,866	-
Short-term financial liabilities	200,071		138,311	
Lease liabilities	5,630		-	
Income tax liabilities	166		103	
Derivative financial liabilities	416		613	
Debts for investments in subsidiaries	1,482		1,082	
Provisions and other liabilities	27,643	1,555	34,472	1,567
	<b>756,012</b>	<b>1,555</b>	<b>1,042,447</b>	<b>1,567</b>
<b>Disposal groups liabilities</b>				
	-		-	
<b>Total liabilities</b>	<b>889,018</b>	<b>1,555</b>	<b>1,069,675</b>	<b>1,567</b>
<b>Total equity and liabilities</b>	<b>1,235,993</b>	<b>1,555</b>	<b>1,412,573</b>	<b>1,567</b>



## Consolidated separate income statement

(euro/000)	Q1 2019	non-recurring	related parties*	Q1 2018	non-recurring	related parties*
<b>Sales from contracts with customers</b>	<b>875,465</b>	-	3	<b>781,274</b>	-	3
Cost of sales	(834,655)	-	-	(742,322)	-	-
<b>Gross profit</b>	<b>40,810</b>	-	-	<b>38,952</b>	-	-
Sales and marketing costs	(13,210)	-	-	(13,390)	-	-
Overheads and administrative costs	(20,326)	-	(1281)	(19,784)	-	(1224)
Impairment loss/reversal of financial assets	(530)	-	-	(427)	-	-
<b>Operating income (EBIT)</b>	<b>6,744</b>	-	-	<b>5,351</b>	-	-
Finance costs - net	(2,563)	-	3	(708)	-	2
Other investments expenses / (incomes)	-	-	-	-	-	-
<b>Profit before income taxes</b>	<b>4,181</b>	-	-	<b>4,643</b>	-	-
Income tax expenses	(1,250)	-	-	(1,230)	-	-
<b>Net income</b>	<b>2,931</b>	-	-	<b>3,413</b>	-	-
- of which attributable to non-controlling interests	(9)	-	-	40	-	-
- of which attributable to Group	2,940	-	-	3,373	-	-
Earnings per share - basic (euro)	0.06	-	-	0.07	-	-
Earnings per share - diluted (euro)	0.06	-	-	0.06	-	-

## Consolidated statement of comprehensive income

(euro/000)	Q1 2019	Q1 2018
<b>Net income</b>	<b>2,931</b>	<b>3,413</b>
<i>Other comprehensive income:</i>		
- Changes in 'cash flow hedge' equity reserve	(31)	53
- Taxes on changes in 'cash flow hedge' equity reserve	(8)	(12)
- Changes in translation adjustment reserve	(1)	3
<i>Other comprehensive income not to be reclassified in the separate income statement</i>		
- Changes in 'TFR' equity reserve	(84)	57
- Taxes on changes in 'TFR' equity reserve	61	(12)
<b>Other comprehensive income</b>	<b>(63)</b>	<b>89</b>
<b>Total comprehensive income</b>	<b>2,868</b>	<b>3,502</b>
- of which attributable to Group	2,879	3,460
- of which attributable to non-controlling interests	(11)	42

## 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
<b>Balance at 31 December 2017</b>	<b>7,861</b>	<b>309,193</b>	<b>(5,145)</b>	<b>26,280</b>	<b>338,189</b>	<b>1,046</b>	<b>337,143</b>
<b>Total comprehensive income/(loss)</b>	-	<b>89</b>	-	<b>3,413</b>	<b>3,502</b>	<b>42</b>	<b>3,460</b>
Allocation of last year net income/(loss)	-	26,280	-	(26,280)	-	-	-
<b>Transactions with owners</b>	-	<b>26,280</b>	-	<b>(26,280)</b>	-	-	-
Currently active Share plans	-	351	-	-	<b>351</b>	-	<b>351</b>
Other variations	-	(12)	-	-	(12)	(1)	(11)
<b>Balance at 31 March 2018</b>	<b>7,861</b>	<b>335,901</b>	<b>(5,145)</b>	<b>3,413</b>	<b>342,030</b>	<b>1,087</b>	<b>340,943</b>
<b>Balance at 31 December 2018</b>	<b>7,861</b>	<b>325,680</b>	<b>(4,800)</b>	<b>14,158</b>	<b>342,899</b>	<b>1,175</b>	<b>341,724</b>
<b>Total comprehensive income/(loss)</b>	-	<b>(63)</b>	-	<b>2,931</b>	<b>2,868</b>	<b>(4)</b>	<b>2,872</b>
Allocation of last year net income/(loss)	-	14,158	-	(14,158)	-	-	-
Increase in reserve from 4Side acquisition	-	905	-	-	<b>905</b>	905	-
<b>Transactions with owners</b>	-	<b>15,063</b>	-	<b>(14,158)</b>	<b>905</b>	<b>905</b>	-
Equity plans in progress	-	303	-	-	<b>303</b>	-	<b>303</b>
Other variations	-	-	-	-	-	(8)	<b>8</b>
<b>Balance at 31 March 2019</b>	<b>7,861</b>	<b>340,983</b>	<b>(4,800)</b>	<b>2,931</b>	<b>346,975</b>	<b>2,068</b>	<b>344,907</b>

## Consolidated net financial position

(euro/000)	31/03/2019	31/12/2018	Var.	31/03/2018	Var.
Short-term financial liabilities	200,071	138,311	61,760	231,795	(31,724)
Lease liabilities	5,630	-	5,630	-	5,630
Current debts for investments in subsidiaries	1,482	1,082	400	-	1,482
Current financial (assets)/liabilities for derivatives	415	610	(195)	493	(78)
Financial receivables from factoring companies	(9,180)	(242)	(8,938)	(13,130)	3,950
Other financial receivables	(11,200)	(10,881)	(319)	(3,428)	(7,772)
Cash and cash equivalents	(56,471)	(381,308)	324,837	(96,483)	40,012
<b>Net current financial debt</b>	<b>130,747</b>	<b>(252,428)</b>	<b>383,175</b>	<b>119,247</b>	<b>11,500</b>
Borrowings	44,482	12,804	31,678	18,262	26,220
Lease liabilities	72,798	-	72,798	-	72,798
Non - current debts for investments in subsidiaries	-	-	-	1,317	(1,317)
Non-current financial (assets)/liabilities for derivatives	-	-	-	(14)	14
Other financial receivables	(967)	(1,420)	453	(1,427)	460
<b>Net financial debt</b>	<b>247,060</b>	<b>(241,044)</b>	<b>488,104</b>	<b>137,385</b>	<b>109,675</b>

**Consolidated statement of cash flows**

(euro/000)	Q1	Q1
	2019	2018
<b>Cash flow provided by (used in) operating activities (D=A+B+C)</b>	<b>(408,605)</b>	<b>(262,423)</b>
<b>Cash flow generated from operations (A)</b>	<b>10,713</b>	<b>6,560</b>
Operating income (EBIT)	6,744	5,351
Depreciation, amortisation and other fixed assets write-downs	3,598	1,167
Net changes in provisions for risks and charges	451	(219)
Net changes in retirement benefit obligations	(383)	(90)
Stock option/grant costs	303	351
<b>Cash flow provided by (used in) changes in working capital (B)</b>	<b>(417,330)</b>	<b>(268,887)</b>
Inventory	(14,627)	(16,760)
Trade receivables	(39,903)	(748)
Other current assets	(5,442)	12,905
Trade payables	(348,135)	(265,677)
Other current liabilities	(9,223)	1,393
<b>Other cash flow provided by (used in) operating activities (C)</b>	<b>(1,988)</b>	<b>(96)</b>
Interests paid, net	(1,513)	(520)
Foreign exchange (losses)/gains	(475)	424
<b>Cash flow provided by (used in) investing activities (E)</b>	<b>1,313</b>	<b>2,432</b>
Net investments in property, plant and equipment	(872)	(490)
Net investments in intangible assets	(114)	(78)
Changes in other non current assets and liabilities	194	3,000
4Side business combination	2,105	-
<b>Cash flow provided by (used in) financing activities (F)</b>	<b>82,455</b>	<b>59,505</b>
Medium/long term borrowing	42,000	-
Repayment/renegotiation of medium/long-term borrowings	(16,170)	(16,576)
Leasing liabilities reimbursement	(1,917)	-
Net change in financial liabilities	67,197	90,219
Net change in financial assets and derivative instruments	(8,994)	(14,228)
Deferred price Celly acquisition	-	6
Deferred price 4Side acquisition	400	-
Increase/(decrease) in 'cash flow edge' equity reserve	(39)	41
Changes in third parties net equity	(17)	43
Other movements	(5)	-
<b>Net increase/(decrease) in cash and cash equivalents (G=D+E+F)</b>	<b>(324,837)</b>	<b>(200,486)</b>
<b>Cash and cash equivalents at year-beginning</b>	<b>381,308</b>	<b>296,969</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(324,837)</b>	<b>(200,486)</b>
<b>Cash and cash equivalents at year-end</b>	<b>56,471</b>	<b>96,483</b>