

ESPRINET SIGNS TWO STRATEGIC ACQUISITIONS IN ADVANCED SOLUTIONS: THE GROUP BECOMES LEADER IN SOUTHERN EUROPE IN THE AUTOMATIC IDENTIFICATION AND DATA CAPTURE MARKET

Binding agreement for the acquisition of 100% of DACOM and IDMAINT

Vimercate (Monza Brianza), 30 November 2020 - ESPRINET (PRT: IM), leader in Southern Europe in the distribution of IT, Consumer Electronics and Advanced Solutions, announces that today it has signed a **binding agreement for the acquisition of 100% of the share capital of Dacom S.p.A.**, leader in the specialized distribution of products and solutions for *Automatic Identification and Data Capture* (AIDC), **and of 100% of the share capital of IdMaint S.r.l.**, specialized in pre and after sales maintenance and technical support services on Auto-ID products.

With this transaction, which follows the acquisition of GTI Group in Spain, **the ESPRINET Group is further strengthened in the Advanced Solutions segment, becoming the main distributor in Southern Europe in the AIDC market niche.** Thanks to the full range of product portfolio, to the large number of customers served and to the high level of expertise and specialization of Dacom and Diode, the leading subsidiary of GTI in Spain, ESPRINET is the reference player in a business which, also following the strong development of e-commerce sales models, records a high growth potential in logistics and in the retail segment. Strong growth is also expected in the health segment, where AIDC is strategic in the tracing of medicines and samples and will benefit from investments in hospital automation.

Alessandro Cattani, Chief Executive Officer of ESPRINET: *"The 3 strategic and strongly synergic acquisitions completed in 2020 in the Advanced Solutions segment, GTI in Spain and Dacom and IdMaint in Italy, bring additional Sales on 2019 results of about 250 million euro, an extra EBITDA of about 6 million euro, and the integration in the personnel headcount of over 230 highly specialized resources. Consistently with our strategic plan, we focused on segments characterized by greater growth in investment and innovation, achieving the leadership in cloud and software segments with GTI in Spain, becoming - with the two acquisitions communicated today - the largest company in Southern Europe in the AIDC segment and entering the outsourcing market of specialized maintenance services with high margin".*

Founded in the 80s as Business Unit of the Swiss multinational company Brown Boveri, **Dacom** distributes thermal and thermal transfer printers, scanners, barcode readers 1D and 2D, labels and ribbons, industrial terminals and PDA for mobile working, RFID, wifi and POS solutions, furthermore providing to customers a 360° service in training, help desk, software support and engineering on solutions offered. With 57 employees, it operates also in Spain, Germany, and France and supplies products of the best vendors in the industry such as Zebra, Honeywell, Datalogic, Posiflex, and Opticon to specialized dealers, software houses, system integrators and IT resellers, for retail market, manufacturing, logistics, hospitality, health and public administration. Thanks to its complete offer and to the quality of the service provided to its customers, Dacom recorded a significant and constant growth with a CAGR 2010-2019 of Sales of more than 19%. In 2019 the Company recorded Sales of Euro 71.2 million and an EBITDA of Euro 3.2 million (4.5% EBITDA margin). Net Financial Debt as at 30 June 2020 is Euro 9.0 million (Euro 12.3 million as at 31 December 2019). Net Equity as at 30 June 2020 is equal to Euro 15.0 million (Euro 14.1 million as at 31 December 2019).

The spin-off of the real estate activities that are not included in the acquisition is planned within the closing date.

IdMaint, a company certified as an Official Service Provider for Honeywell and Zebra, provides maintenance service and technical support pre and after sales on Auto-ID products to software houses, system integrators and IT resellers. It boasts a team of engineers with a thorough knowledge of hardware and software, able to support also *ad hoc* customization and engineering projects, proposing the appropriate product combination that meet the needs of the served segment. In 2019 IdMaint recorded sales of Euro 2.3 million and an EBITDA of Euro 0.5 million (22.5% EBITDA margin). Net Financial Debt as at 30 June 2020 is Euro 0.3 million (Euro 0.4 million as at 31 December 2019). Net Equity as at 30 June 2020 is equal to Euro 0.8 million (Euro 0.6 million as at 31 December 2019).

The agreement consists in the payment of a total amount of about Euro 13.7 million ("Temporary Price"), that corresponds to the Net Adjusted Equity of the companies at 30 November 2020.

The Final Price, that will be fixed following the accounting check one year after the closing date, will be subject to adjustment process related to: Net Equity calculation at the date of the execution, stock quality and credit position one year after the closing date. This adjustment, as well as the usual guarantees provided for this kind of transactions, will be covered by an amount withheld by ESPRINET on the Temporary Price; therefore at the closing date, planned by the first half of January 2021, a total amount of Euro 10.2 million will be paid on a cash basis and using available resources.

The execution of the agreement is subject to the necessary Italian anti-trust authorization, that is estimated to take place by the first half of January 2021.

The acquisition of the two companies is based on an overall Enterprise Value estimated in about Euro 22.6 million, corresponding to a multiple on the EBITDA 2019 of 6.1x.

In order to guarantee the operating continuity, the governance establishes that Mr. Paolo Gatti, Dacom CEO and Managing Director in charge, will be part of the Board of Directors of the two acquired companies in the role of Executive Director with commercial responsibility. Moreover, two separate legal entities will be kept, aiming at preserving the procedural peculiarities that are at the basis of the flexibility and speed necessary to preside the Automatic Identification segment.

Esprinet was supported by Chiomenti as legal advisor, by EY S.p.A, by EY Advisory S.p.A., by the tax and legal consultancy firm Pirola Pennuto Zei e Associati and by the law firm Littler. The counterparties were assisted by Docfin S.r.l..

Esprinet (PRT:IM – ISIN IT0003850929), with around 1,300 employees and 4 billion euro in turnover in 2019, is the leading company in Southern Europe (Italy, Spain and Portugal) in the distribution of Information Technology and Consumer Electronics to IT resellers, VAR, System Integrators, specialised stores, retailers and e-commerce portals, as well as the fourth largest distributor in Europe and in the top 10 at global level. The Group's vision is to simplify life for people and organisations, by expanding and facilitating the distribution and use of technology. *Enabling your tech experience* is the payoff that synthesises the evolution of the company into a genuine technology services hub that enables the use of technology.

The Group supplies roughly 130,000 products (PCs, printers, accessories, software, cloud, datacentres & cybersecurity, smartphones, audio-video, TV, gaming, household appliances, electric mobility) of more than 650 manufacturers to 31,000 business and consumer resellers through multiple sales models, both self-service (best-in-class e-commerce platform and Cash & Carry stores) and assisted (tele-sales, e systems, engineers in the field).

In addition to providing traditional wholesaling services (bulk breaking and credit), Esprinet fulfils the role of simplifier of the use of technology. The Group offers, for example, a turnkey e-commerce platform to hundreds of resellers, in-shop management for thousands of retail sales points, specialised payment and financing

solutions for the resellers community, by also offering the generation of demand by end users and big data analysis to the main technology manufacturers and resellers which outsource marketing activities increasingly more frequently.

Cloud services, collaboration software, video-conference systems, advanced IT infrastructures and specialised consumer electronics solutions such as connected household appliances or gaming platforms are the new areas of growth with added value which fuel further future growth in revenues for the sector, while logistics and financial services, as well as the "pay-per-use" sales model, offer increased opportunities for margin growth.

The widespread use of technology and the need for quicker and simpler methods to make increasingly more complex and diversified technologies available for people and companies, paves the way for further improvements in the scenarios of the technological distribution industry.

The Press release is available on www.esprinet.com

For more information:

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