



Italian Star Conference

Milan, March 22nd 2017



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- Investment case
- Group overview
- Historical financial highlights
- Key market trends
- Strategic guidelines and initiatives
- 2016A/18E financials

-
- Corporate Governance
 - Corporate Social Sustainability



The investment case

Investment case in a nutshell

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[direct link](#)

Group overview

The Group at a glance

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Group structure

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Corporate milestones

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Business model

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Operational KPIs

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2016 acquisitions drivers

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Industry ranking

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2016 product mix

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Sales breakdown

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EBIT benchmark

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Historical financial highlights

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2001/16 Sales evolution

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2001/16 EBIT evolution

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2001/16 NFP and WC evolution

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Key market trends

The IT&CE business system

Key industry and market trends

Implications for Espritnet strategy

Strategic guidelines and initiatives

Key actions and strategic initiatives

Key drivers on M&A and geographies

2015A/18E financials

Profit & Loss 2015A/18E

Sales 2015A/18E

Gross profit 2015A/18E

SG&A 2015A/18E

EBIT & Balance Sheet 2015A/18E

Key drivers on operating working capital

Corporate Governance

Corporate Social Sustainability

The investment case





A

Attractive market with further space for growth

- Wholesale B2B distribution gaining share vs direct model
- Emerging technologies (eg. wearables, sensors) and innovative applications (eg. IoT, XaaS, Cybersecurity) will unleash new growth opportunities especially in IT Value

B

Clear leader in reference geographies

- By far the #1 in Italy, gained #1 positioning in Spain through Vinzeo acquisition (4th Player in 2015), space for scale-up in Portugal (local branch opened in 2015)

C

Strong results delivery track record

- Strong financial performance in time, solid balance sheet
- Most profitable player among European multinational peers

D

Clear and compelling strategy to address further growth ambition

- Clear strategic guidelines to pursue going forward
- Concrete set of initiatives to be implemented

E

Experienced management team

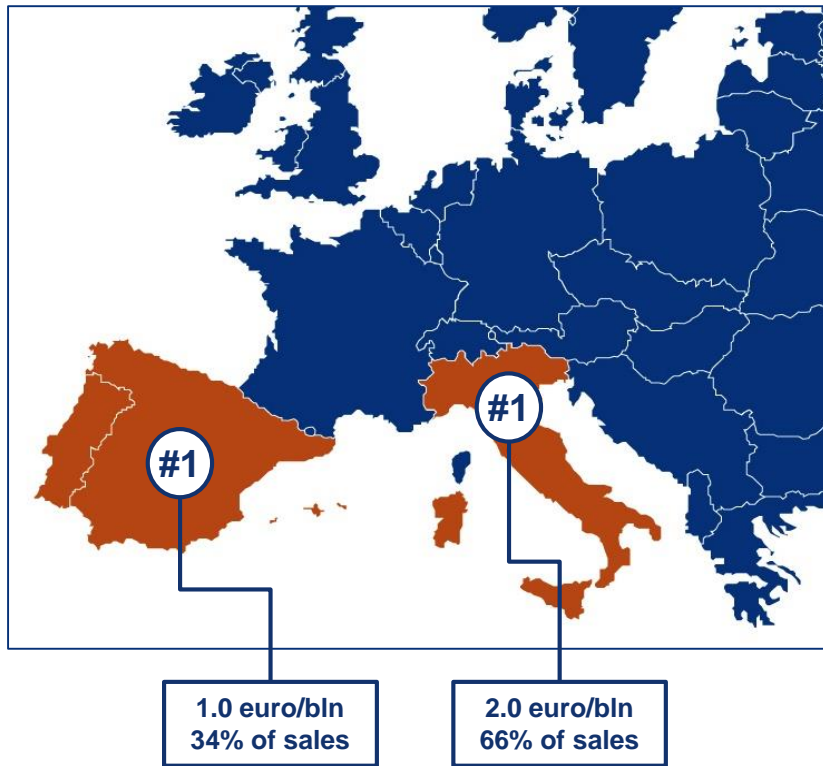
- Average seniority of top management higher than 12 years within the Group (Italy, Spain) ⁽¹⁾ and nearly 15 years within the industry

⁽¹⁾ Excluding Vinzeo, Celly and EDSLan

Group overview



The Group at a glance



Largest ICT-CE Wholesaler in Southern Europe

#1 in Italy and Spain - #6 in Portugal - #4 in Europe ⁽¹⁾



Among top #60 Italian corporations by revenue (source: R&S Mediobanca 2015)



FY 2016: 3.0 euro/bln sales, 38.6 euro/mln EBIT



40,000 customers (resellers 68% - retailers 32%)
600 brands, more than 40,000 SKUs stocked



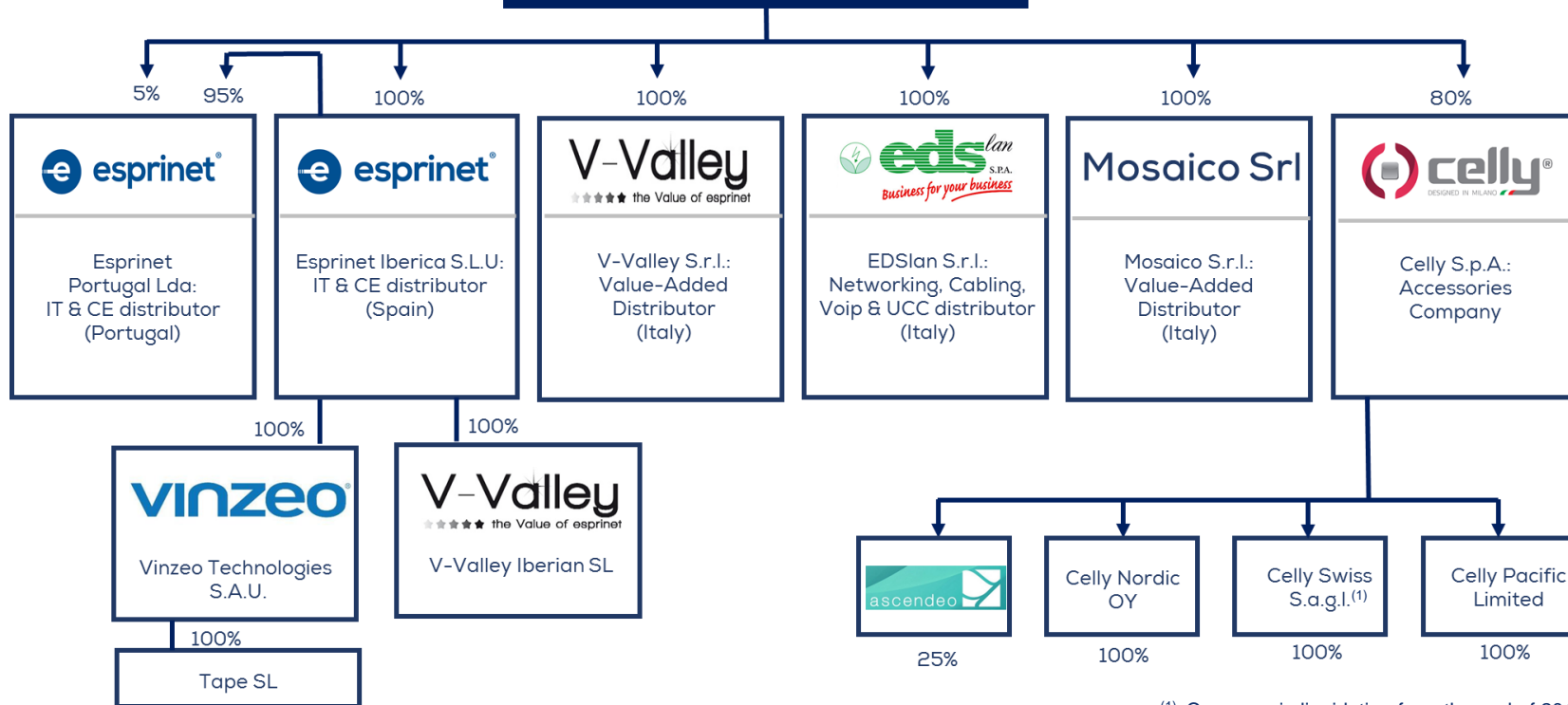
~1,350 employees
4 main logistics sites [Cavenago (MB), Cambiago (MI), Saragoza, Daganzo (Madrid)]
n. 17 Cash & Carry in Italy - n. 1 in Spain (Madrid)



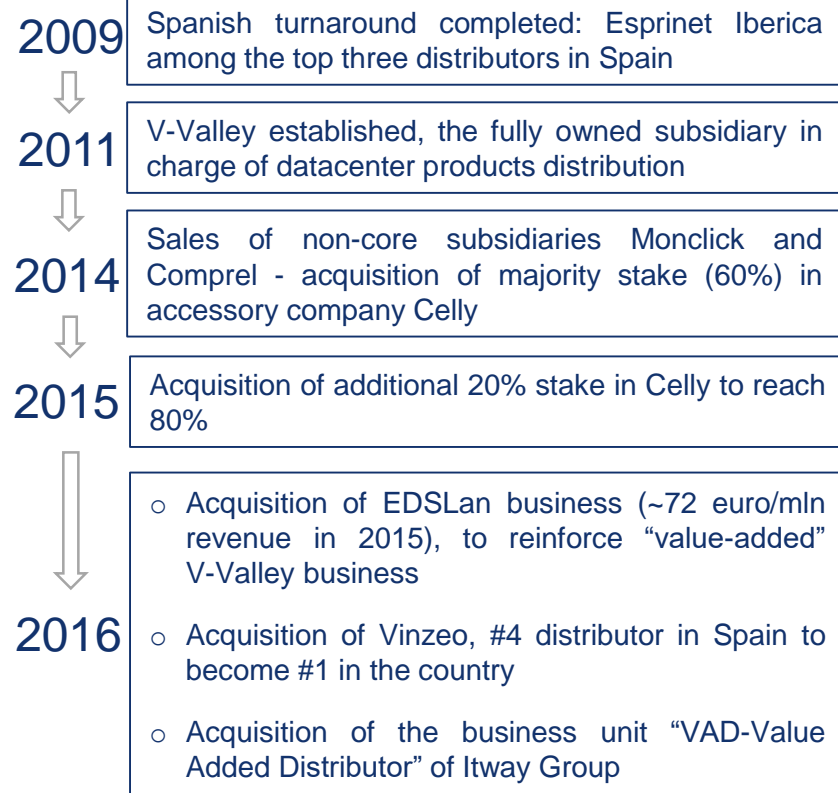
⁽¹⁾ Pending completion of Tech Data acquisitions of Avnet TS



Esprinet S.p.A.: IT & CE distributor (Italy)



(1) Company in liquidation from the end of 2016



⁽¹⁾ After 10:1 share split in 2005



- 1 **Tight cost and working capital control**
- 2 **Flexibility in responding to vendor and reseller/retailer needs by means of a proprietary ERP and web engine**
- 3 **Multidivisional organization to tackle different needs of IT clients/data center/consumer electronics**
- 4 **Providers of market intelligence by leveraging the broad reseller portfolio with Big Data Analytics tools**
- 5 **Stable management team to provide consistency in execution and relationship with key partners**



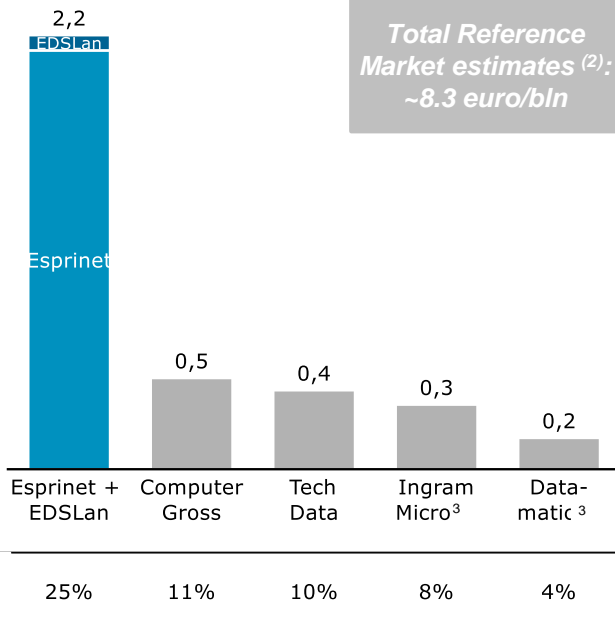
Managing complexity to give customers the best value offer

CORE OFFERING			OPTIONAL SERVICES	
125,000 warehouse sqm	<ul style="list-style-type: none">• <i>Range and availability: 'one stop-shopping'</i>	STOCK/ LOGISTICS	<ul style="list-style-type: none">• <i>Sourcing of products ('top sellers')</i>• <i>Sourcing of products ('long tail')</i>• <i>Back to back ordering</i>• <i>Simplified logistics</i>	40,000 items in stock
25 million units shioment	<ul style="list-style-type: none">• <i>Delivery</i>• <i>Bulk breaking</i>• <i>Order consolidation</i>		<ul style="list-style-type: none">• <i>Drop shipment to end customer</i>• <i>Consignment stocking - repackaging</i>• <i>Providing multiple locations with multiple suppliers</i>	5.5 million boxes shipped
2.1 million payment transactions	<ul style="list-style-type: none">• <i>Channel financing</i>	CREDIT	<ul style="list-style-type: none">• <i>Extended credit (additional credit lines; factoring)</i>	Amex loyalty card
7.0 million lines of orders managed	<ul style="list-style-type: none">• <i>First level order support (pre-sales)</i>	SALES & MARKETING	<ul style="list-style-type: none">• <i>Second level technical support (pre/post-sales)</i>	7,000 special 'value+ deals managed
200,000 SKUs published in website	<ul style="list-style-type: none">• <i>Product information</i>		<ul style="list-style-type: none">• <i>Channel Intelligence</i>• <i>Outsourced sales & marketing force</i>	~450 Sales & Marketing people
~40,000 customers served	<ul style="list-style-type: none">• <i>Broad customer base</i>		<ul style="list-style-type: none">• <i>On-line sales platform + field accounting</i>• <i>Channel recruitment</i>	7.8 million yearly web accesses



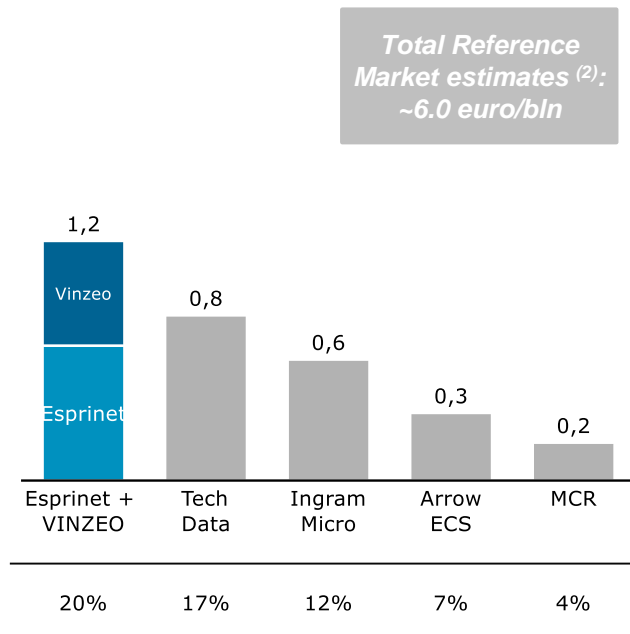
Undisputed # 1 in Italy

Top 5 Distributors 2015 'pro-forma' RMS - Relative Market Share ⁽¹⁾



Become #1 in Spain

Top 5 Distributors 2015 'pro-forma' RMS - Relative Market Share ⁽¹⁾



⁽¹⁾ Relative Market Share: Market Leader= Market Share Market Leader/Market Share 2nd Player || Other Players: Market Share Other Player/ Market Share Market Leader

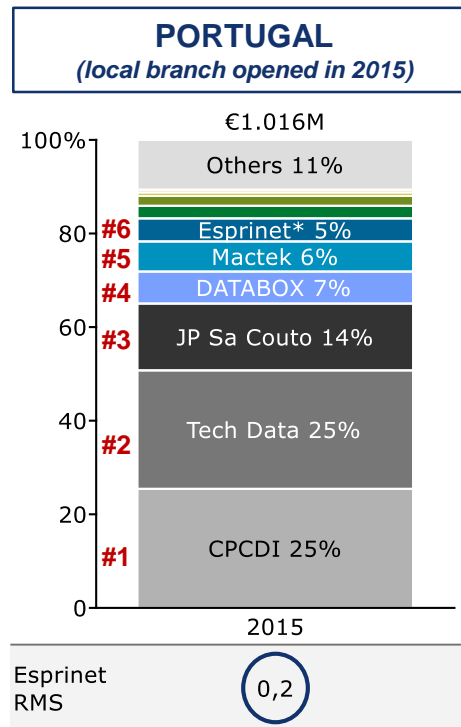
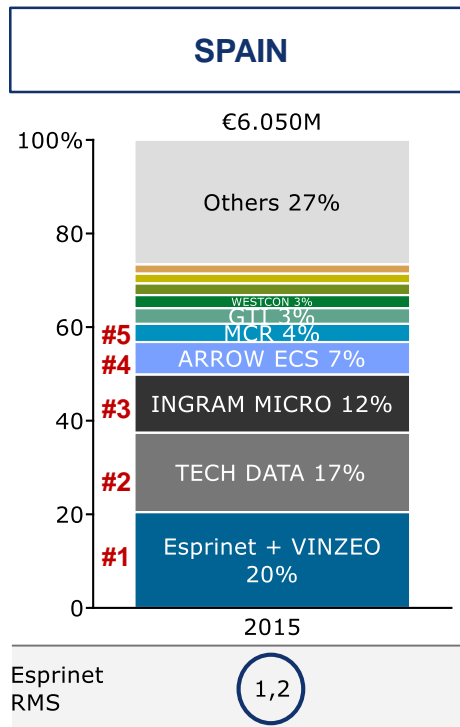
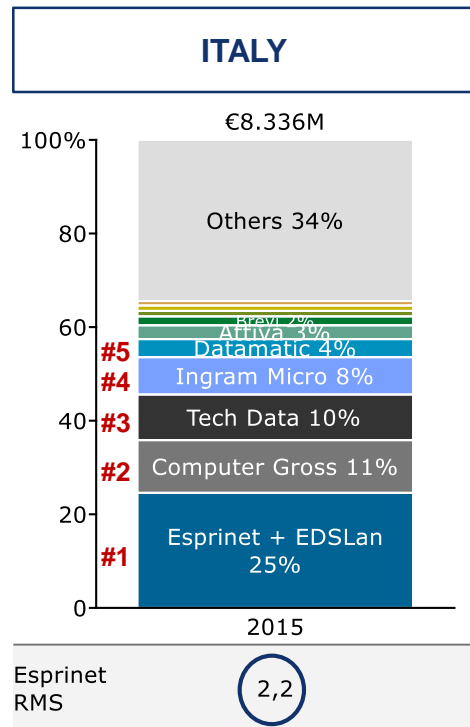
⁽²⁾ Based on Revised Reference Market Estimates || ⁽³⁾ Based on 2014 Revenues || Includes Vinzeo, EDsLan Pro-forma FY

Source: Espritnet Group Internal Data, Sirmi, Channel Partner, Internal Interviews, DB Context, Companies balance sheets and expert interviews

Clear #1 in Italy, new 1# in Spain, room to grow in Portugal



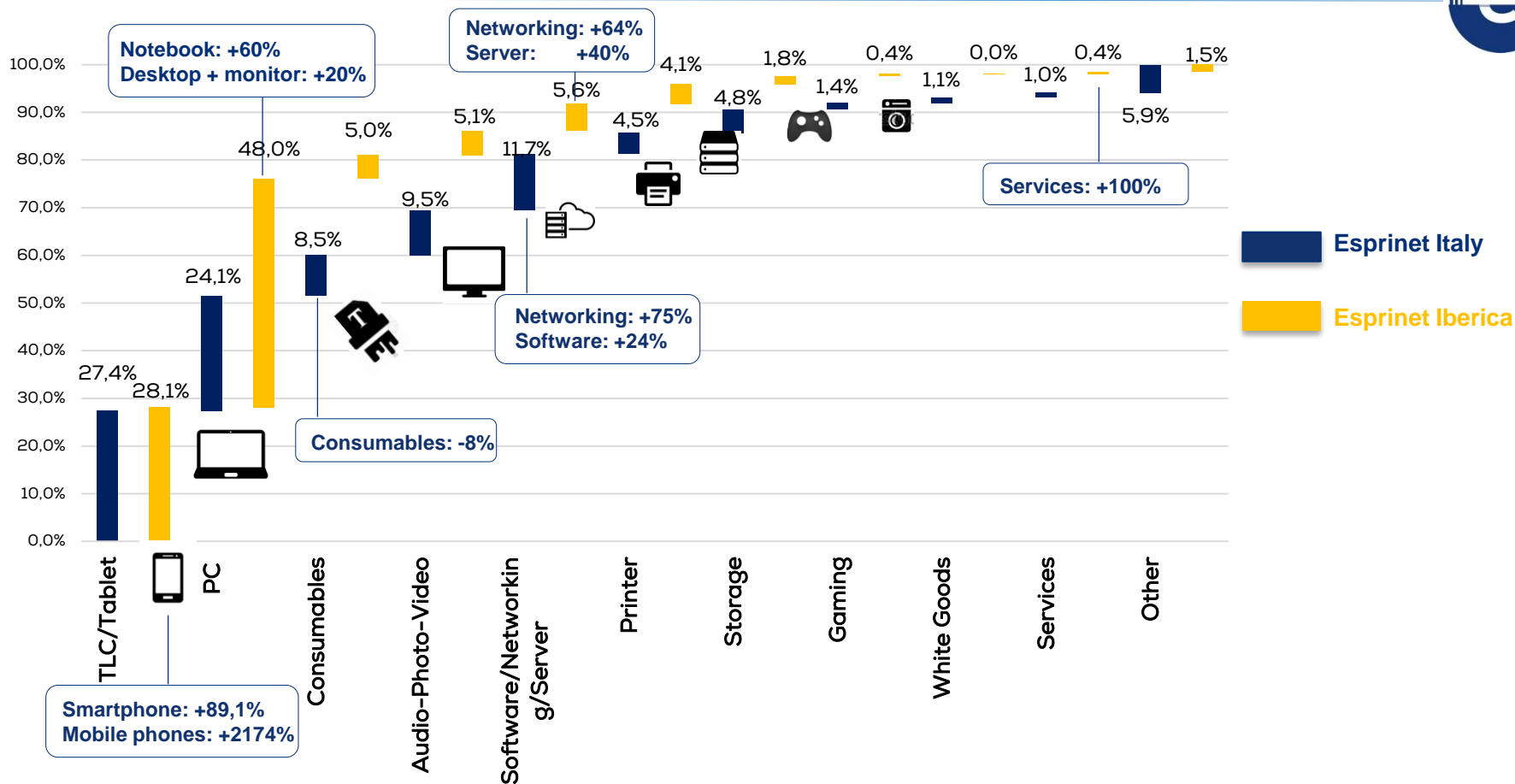
Esprinet market share in reference geographies



Based on Revised Reference Market Estimates || Includes Vinzeo, EDsLan Pro-forma FY - RMS: Relative Market Share

Source: Esprinet Group Internal Data, Sirmi, Channel Partner, Internal Interviews, DB Context, Companies balance sheets and expert interviews

2016 Product mix



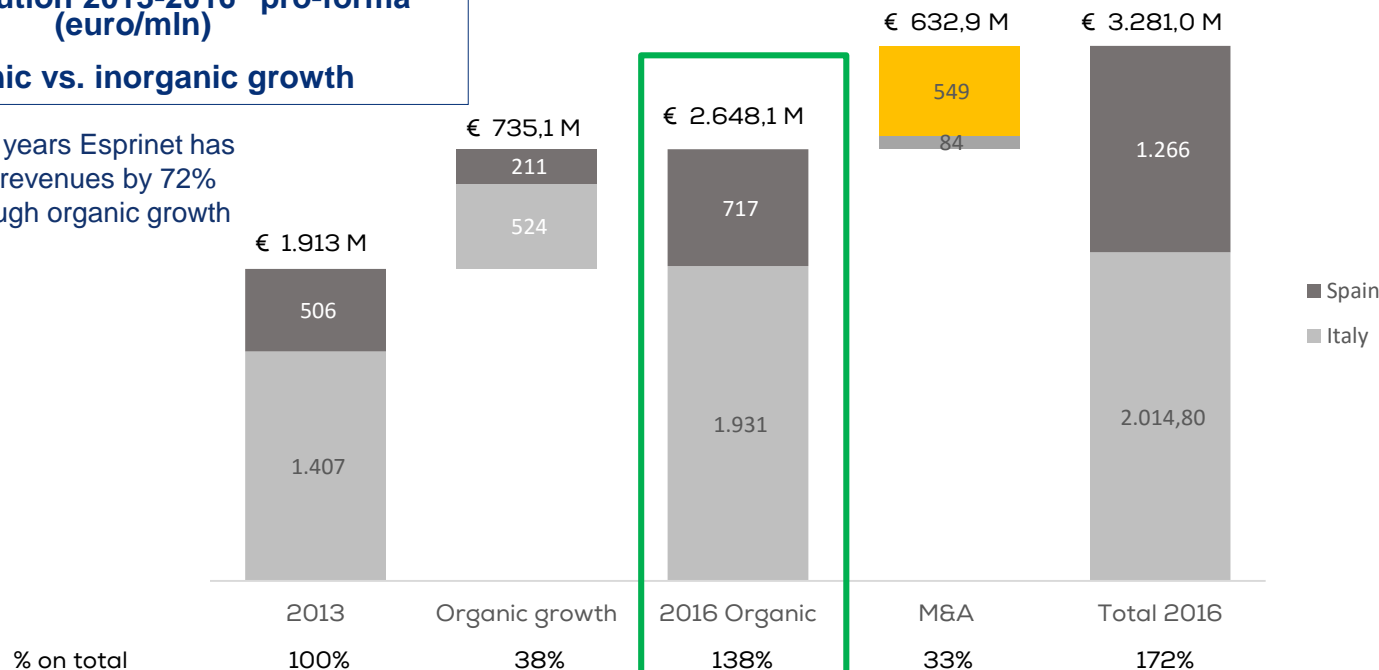
In the last 3 years Esprinet has increased revenues by 72%



Sales evolution 2013-2016 “pro-forma” (euro/mlin)

Organic vs. inorganic growth

In the last 3 years Esprinet has increased revenues by 72% mainly through organic growth



2016 M&A

Spain with Vinzeo Pro-forma FY & V-Valley iberian (1)	€ 549,1 M	€ 1.266,2 M
Italy with EDSLan Pro-forma FY & Mosaico (1)	€ 83,8 M	€ 2.015,8 M

Total 2016A pro-forma size:
3.28 euro/bln

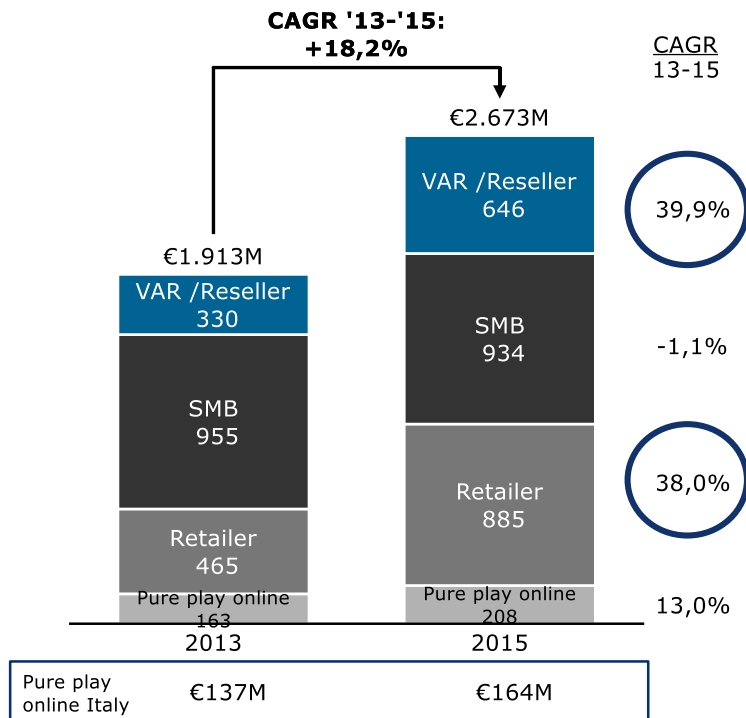
(1) Mosaico and V-Valley Iberian figures excluding pre acquisition values

Between 2013 and 2016 Esprinet has grown mainly driven by Italian organic growth; in 2016 3 major acquisitions in Spain and Italy added ~0.6 euro/bln revenues

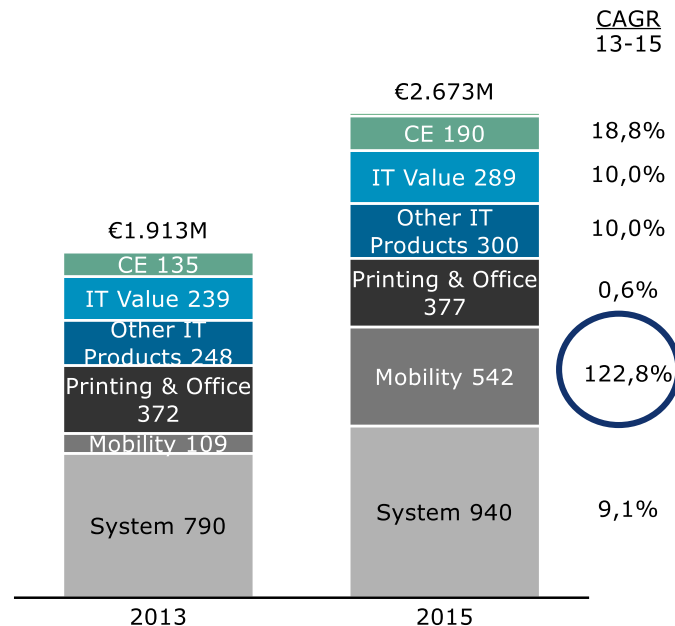
Double digit organic growth mainly driven by Mobility and VAR + Retailers



Organic sales trend by 'channel'

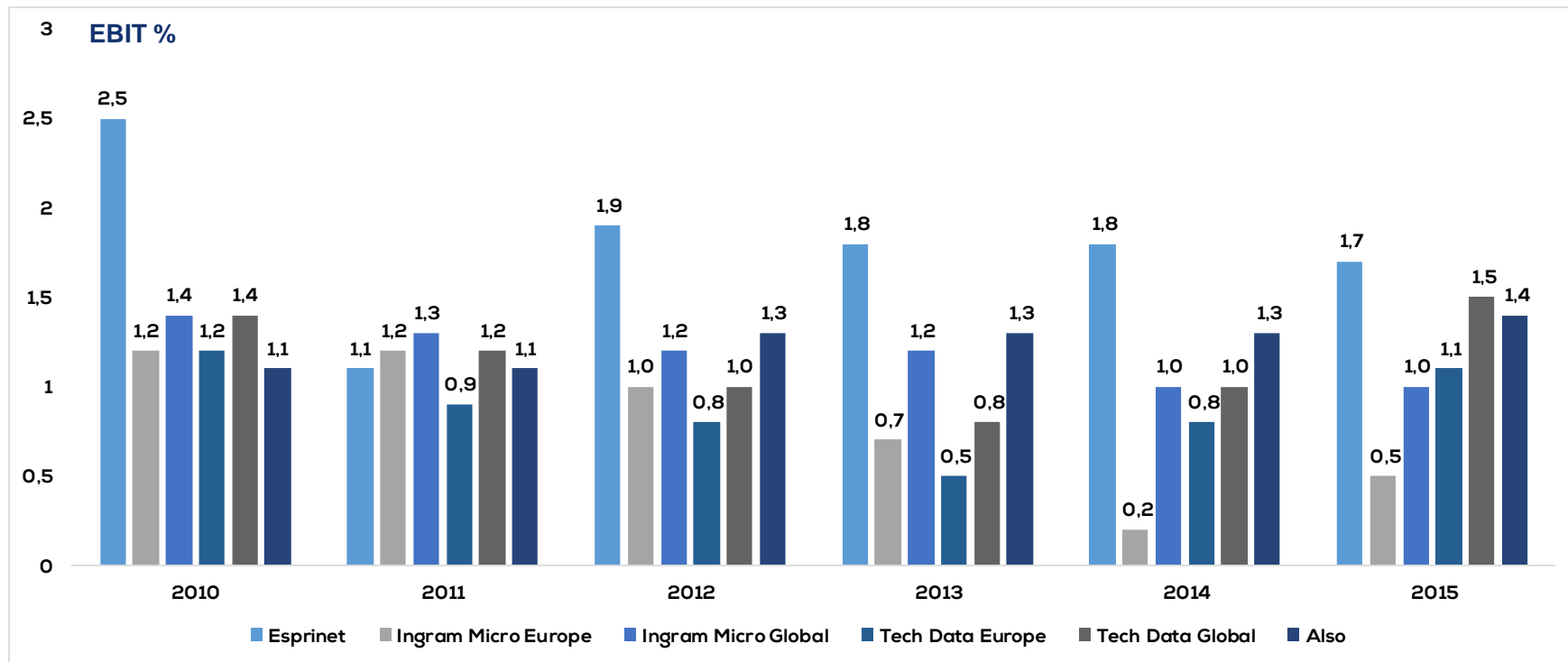


Organic sales trend by 'product category'





EBIT % benchmark with European Multinational Distributors



Historical financial highlights

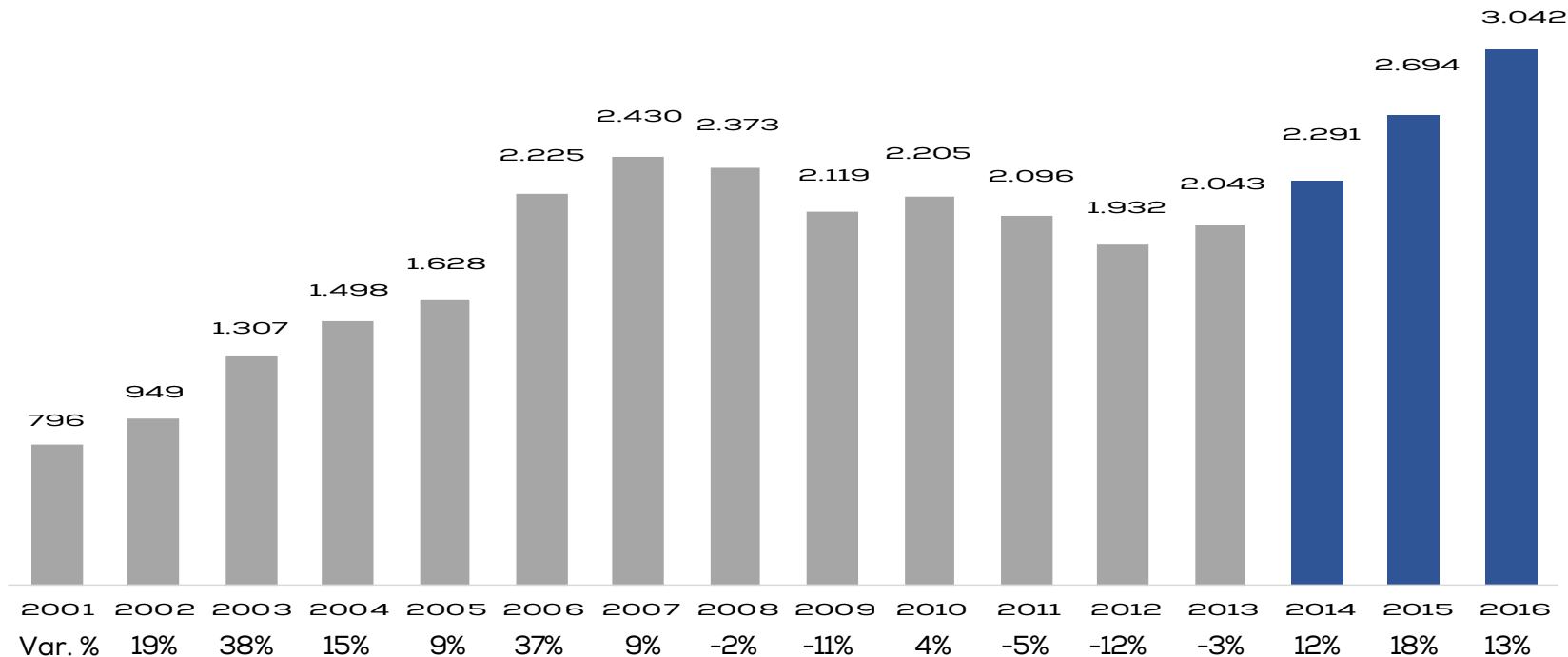


2001/16 Sales evolution



(euro/mln)

9% CAGR
'01 - '16



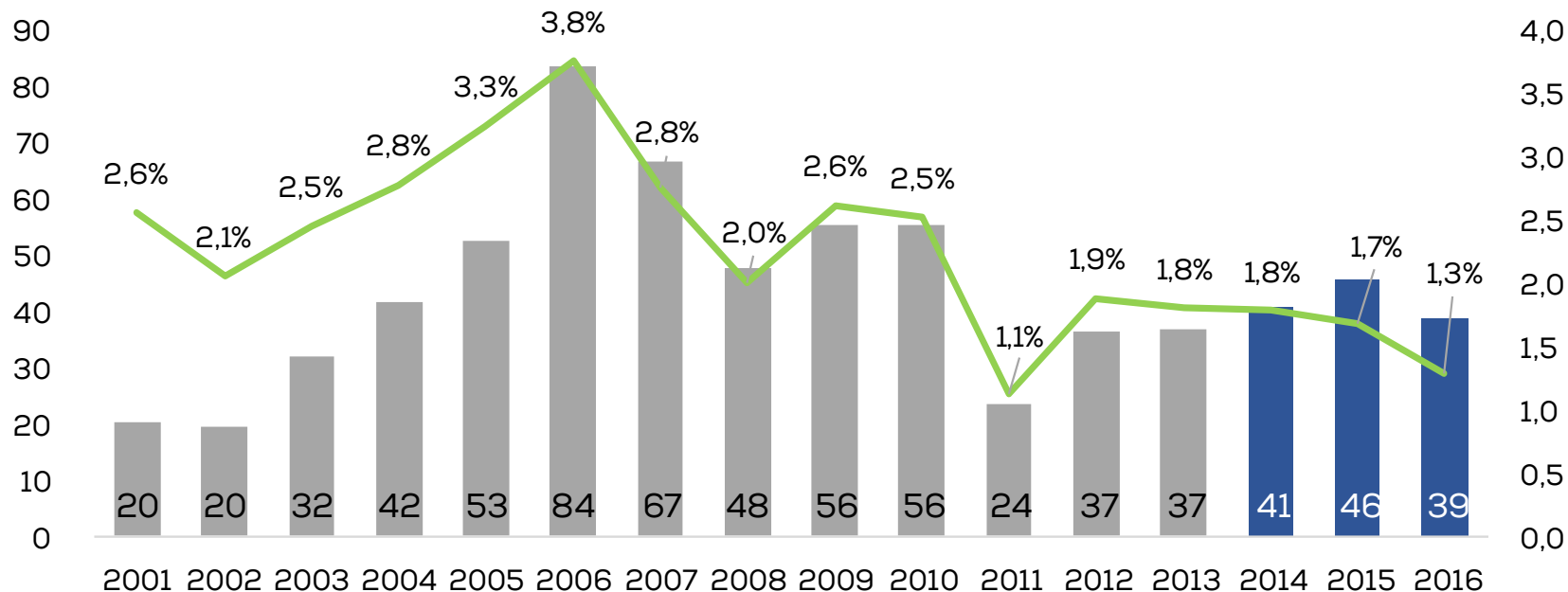
Strong top-line growth trend

2001/16 EBIT evolution



(euro/mln)

4% CAGR
'01 - '16

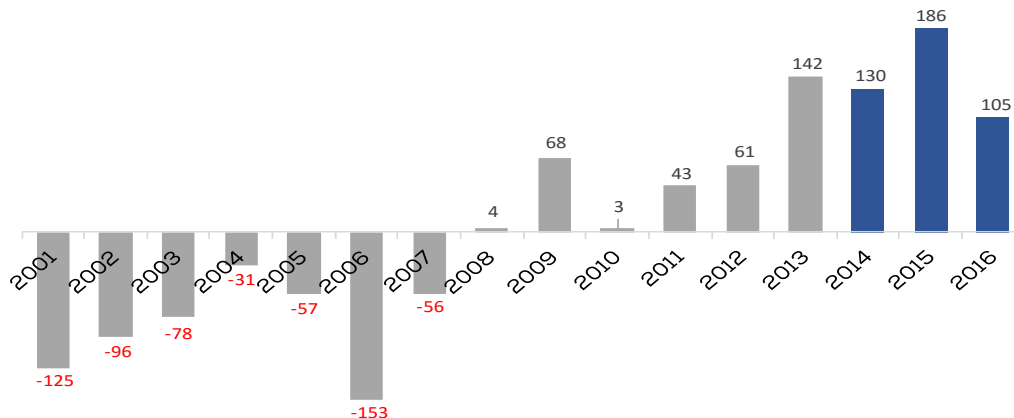


Always profitable business since its establishment

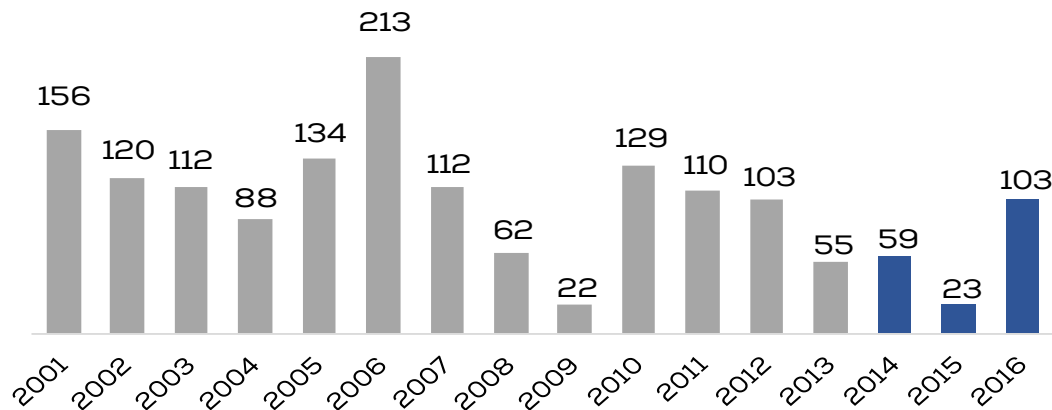
2001/16 NFP and WC evolution



Net financial position (euro/mIn)



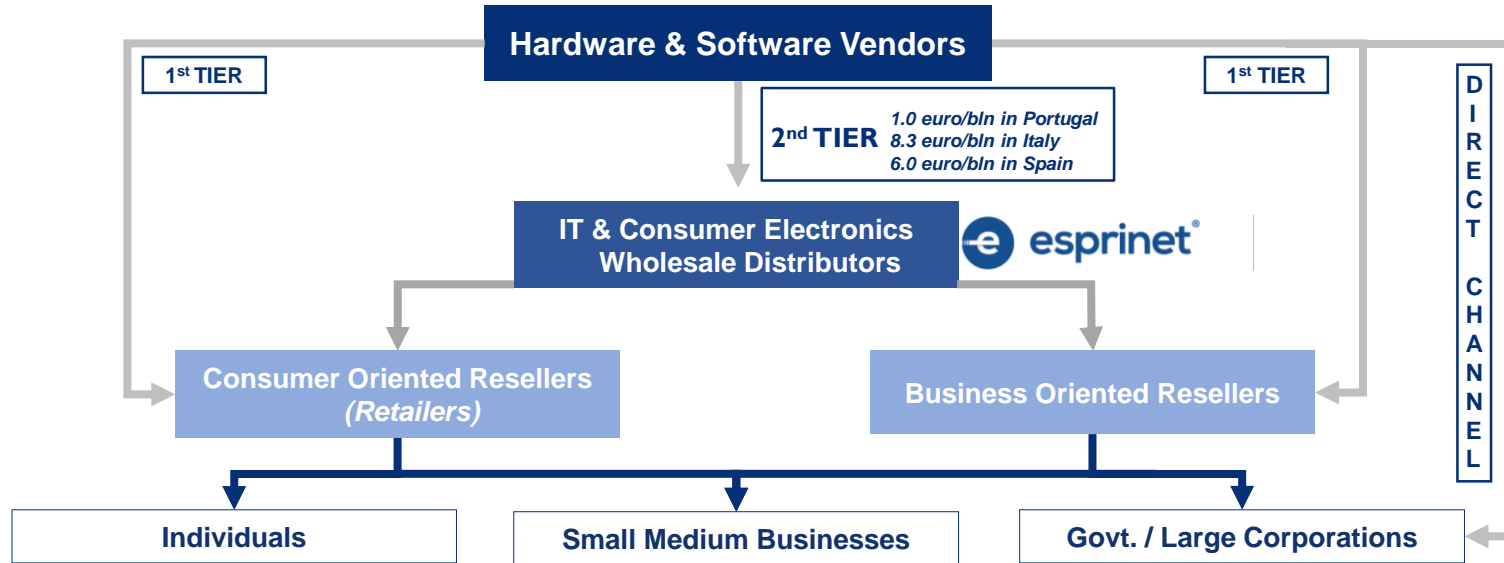
Net operating working capital (euro/mIn)



- Net financial position and Net working capital are those reported in the annual financial statements.
- For this reason they represent the amount of the metrics at end-period which are not representative of average levels being affected by, among others, seasonality of business (monthly, infra-monthly) and 'without-recourse' sale of account receivables and/or securitization program (since 2015).

Key market trends





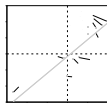
- **Direct Channel + 1st tier:** (~55-50%% of total addressable market)
- **2nd tier: from distributors to resellers** (~45-50% of total addressable market)



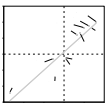
1	Macro economics	<ul style="list-style-type: none"> Improved macroeconomic outlook within Esprinet markets (Italy, Spain, Portugal), in terms of: GDP growth, Disposable Income and IT spending
2	Vendors	<ul style="list-style-type: none"> Continued polarization of vendor base, with dichotomy between: <ul style="list-style-type: none"> Consolidated base of Big, mostly HW-oriented vendors expanding established ecosystem across consumer lifecycle (e.g. Wearables, home, auto) with continuous focus on incremental innovation to sustain share (eg. Apple) Fragmented base of Small, niche pure play, SW-oriented vendors, focusing on emerging technologies and innovative applications
3	Categories and Service Offer	<ul style="list-style-type: none"> Traditional IT & CE (e.g. PC, smartphones, ...), with limited space for further disruptive innovation going forward and pressure on sell-out prices Emerging technologies (e.g. Wearables, Sensors, ...) and innovative applications (e.g. IoT; Cybersecurity) will drive value added IT categories (e.g. networking) & CE demand growth Increasing penetration of "as a Service" models (e.g. cloud solutions, managed printing services)
4	Distribution	<ul style="list-style-type: none"> Increased share of distribution intermediation as vendor look for efficiency but also value added services in customer management New categories could shift from direct to indirect model (e.g. White goods, Industrial sensors & SW ...) Consolidation of distribution landscape could determine a recovery of margins (given both scale and less competitive pressure)
5	Channel/End market	<ul style="list-style-type: none"> End market (business) switching spending from run rate to change with implications for VARs / Vendors: <ul style="list-style-type: none"> need to reinforce service offering, including advisory projects (e.g. CAPEX for future efficiency, ...) Telco/ Large vendors evolving offer model and channel management to intercept new needs E-commerce penetration will continue to grow, mainly driven by pure players: <ul style="list-style-type: none"> continuous switch from traditional in-store channels (e.g. retailers/resellers) to online channels pressure on sell-out prices on traditional IT & CE (e.g. Smartphones) due to price transparency and competitiveness



Nominal GDP vs IT Spending

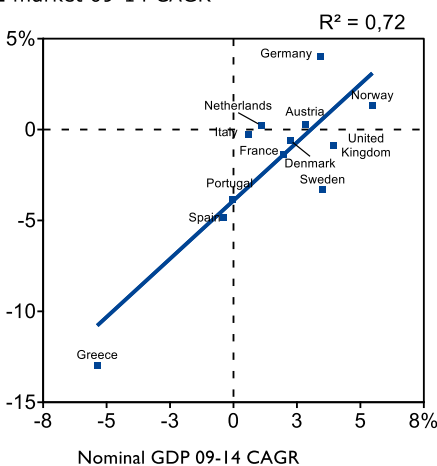


Disposable Income vs IT Spending



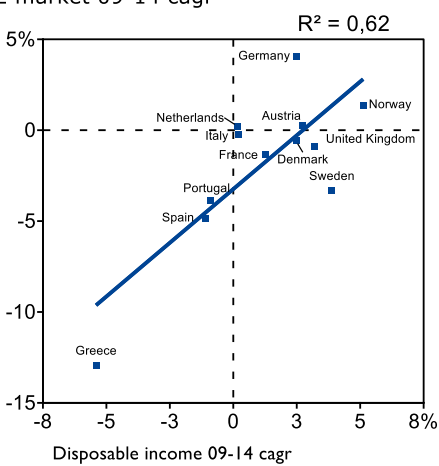
Nominal GDP vs CE Spending

CE market 09-14 CAGR



Disposable Income vs CE Spending

CE market 09-14 cagr



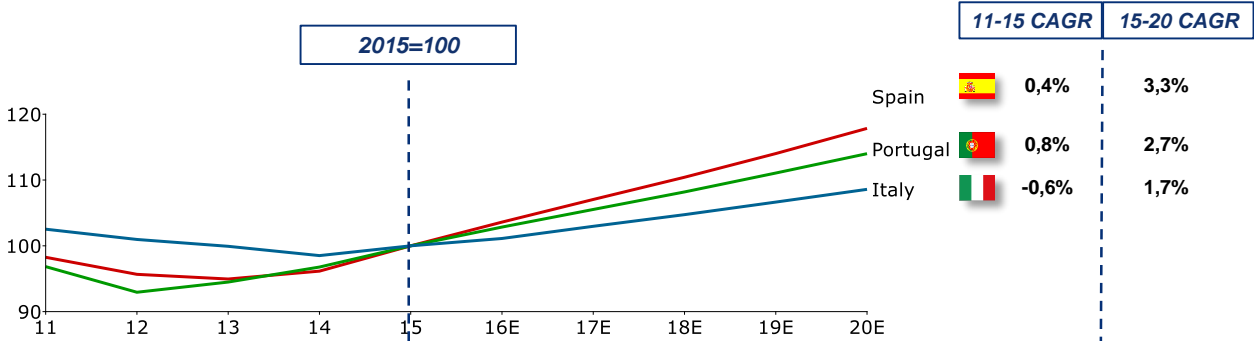
Notes: Nominal values in local currency for each year in the period 2009-2014 for Western Europe (except Turkey). 0.3 or above is a strong correlation with this number of datapoints

Sources: Economist Intelligence Unit, Euromonitor, GfK, IMF, Analysts report, Bain analysis

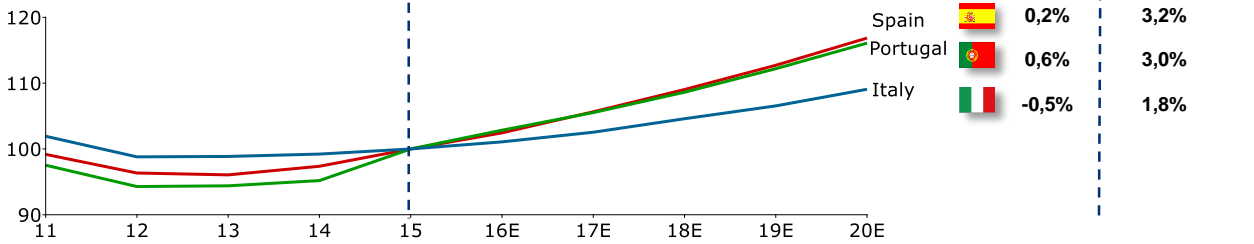


Macroeconomic outlook for Italy, Spain and Portugal foresees a continued recovery

Nominal GDP per capita Index



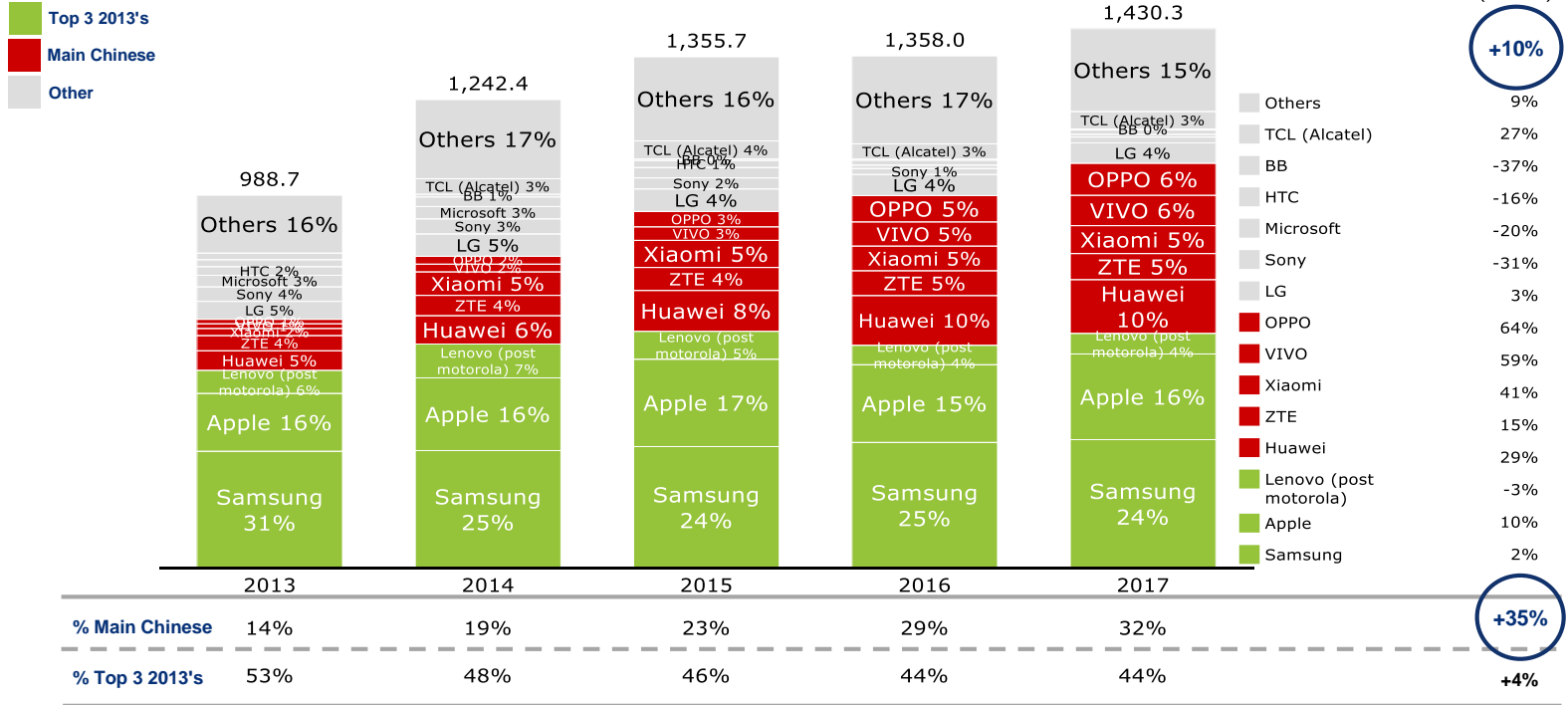
Disposable Income per capita Index





Units, mln

Smartphone global sales trend by vendor (units)

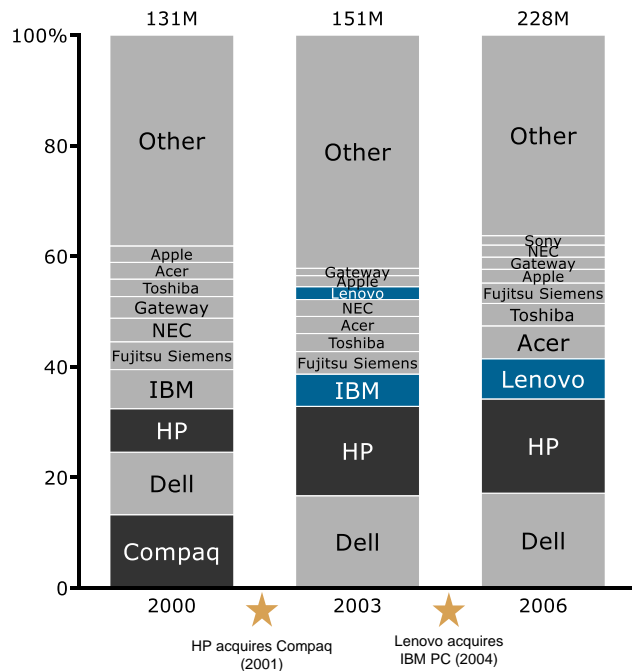


2013's Top 3 Smartphone vendors have lost share while Chinese have rapidly grown: top 8 players in 2017 represent ~75% of the market



Historically, major acquisitions accelerated PC consolidation

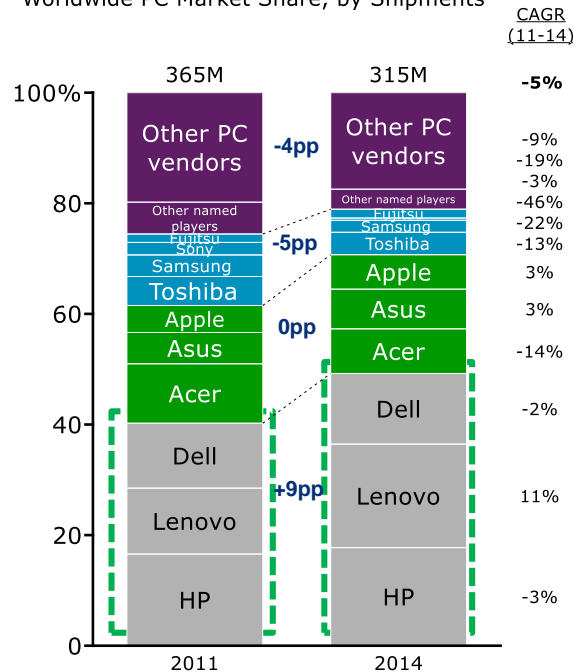
Top 10 vendor shipments, WW PC Market



Dell, HP and Lenovo emerge as top 3 players;
HP and Lenovo assisted by M&A

Top 3 players gained ~9% share since 2011, mostly organically

Worldwide PC Market Share, by Shipments



of "Other named players" decreased from 80 to 50

Lenovo's 3 acquisitions added < 1pp share (Medion AG, CCE, JV with NEC)

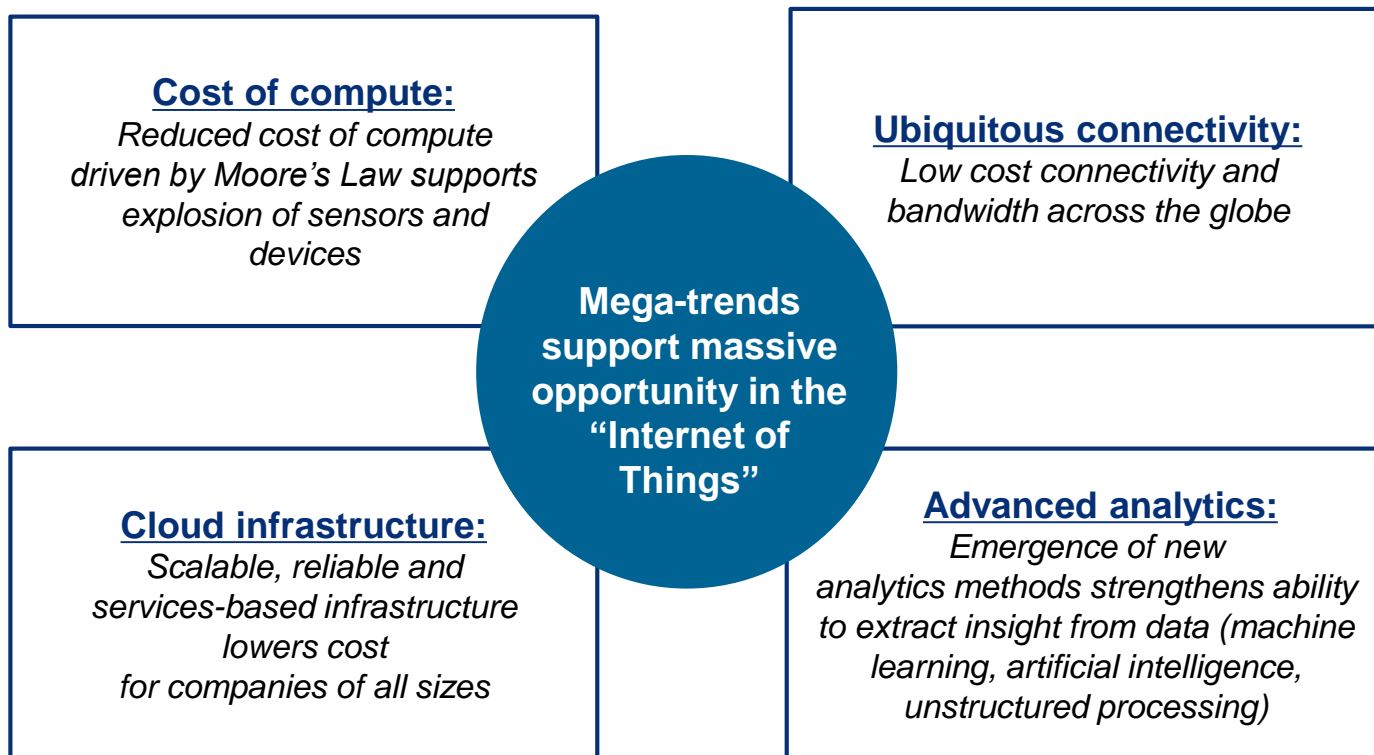
Majority of consolidation since '11 was organic

- Few acquisitions by top 3 players
- Majority of decrease in "Other" from small OEMs exiting



In IOT big established vendors face competition from smaller/specialized players

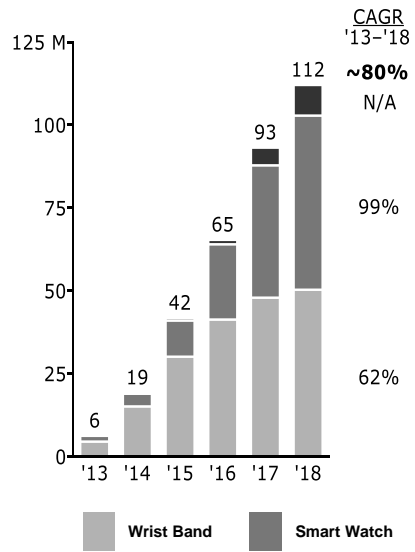
		Consumer-facing (IoT2C)			Business-facing (IoT2B)									
		Home	Life-style	Mobility	Retail	Health	Energy	Logistics/ trans.	Gvt. & Cities	Manuf. /agri	Financial Services	Integr. Svcs		
Application	Vertical	nest wink SmartThings August dropcam	SONY Google MOTOROLA fitbit JAWBONE	Google Dashlane Mozilla OpenStax	Nomi placemeter euclid	AUGMEDIX AdhereTech Omniceil Lundis iLuv iLuv	Axeda enlighted GRIDMOBILITY Landis Joyr SOLAR	ONASSET SageQuest	Numerex	APPLIED MATERIALS APX Airware ParStream	Google Verifone WINCOR NIXDORF DIEBOLD	Logica CGI		
	Analytics	Analytics software QlikView IBM +tableau Spotfire Atigeo Palantir elster											CSC	
		ORACLE Microsoft Database EMC ² SAP IBM											Deloitte.	
Infra-structure	IOT SW Platform	Open source platforms soark senseiôt ThingSpeak OSITO					Proprietary platforms xively Axeda zonoff SAP FreedomPop						GENPACT	
	Data Center / HW	hp IBM DELL CISCO	Computing		Network	Storage	Infrastructure SW					Infosys		
Network	Comm Services	Security at&t verizon virgin boost vodafone T-Mobile CSPs/Carriers airtel americas movi orange telcelor											hp	
	HW Equipment	Symantec	NETGEAR CISCO ERICSSON HUAWEI nsn JUNIPER											IBM
	IOT Platform	intel EMC ²	Connectivity Platform Symplio ioBridge					Connectivity Protocol MESH SYSTEMS SAFECAST WI FI NFC Bluetooth [®] RFID					Tech Mahindra	
Devices	OS	IBM	Real-Time/Embedded OS WIND RIVER Contiki					High-Level OS Parse android iOS						
	Hardware	CISCO	Consumer GLASS pebble			Industrial ADT GE HUAWEI LG MultiTech Jasper ERICSSON Telit PHILIPS Laird SIERRA ZEBRA gemalto								
	Silicon	TREND MICRO	intel TEXAS INSTRUMENTS SAMSUNG ELECTRONICS			TOSHIBA QUALCOMM hynix NXP Micron BROADCOM CYPRESS								



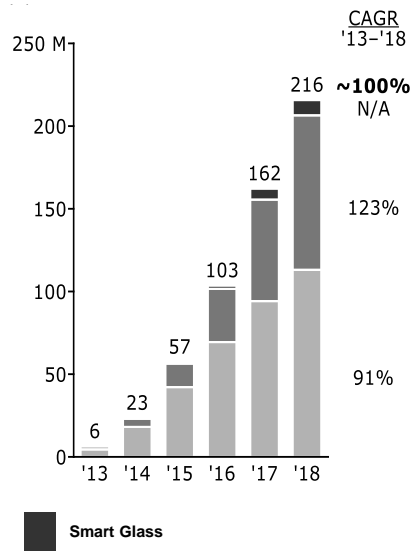


Wearables and Cybersecurity market

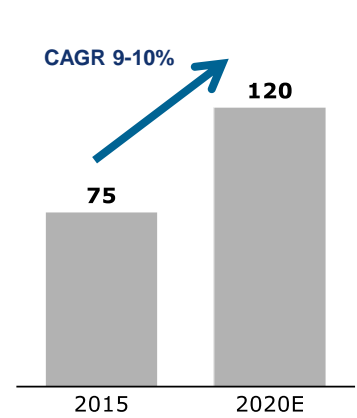
Worldwide wearables shipments, by product, 2013-18



Worldwide wearables installed base, by product, 2013-18

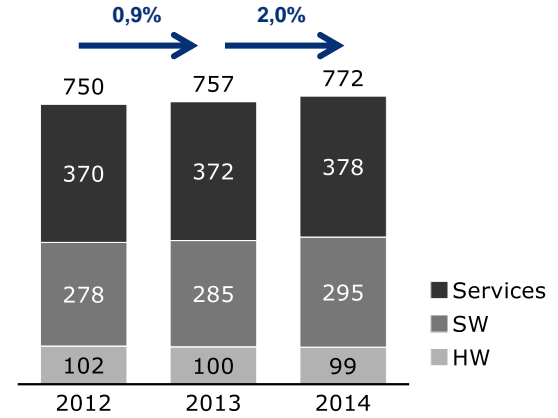


IT Security Market Global (euro/bln)



Key areas for future growth are security analytics / SIEM, threat intelligence, mobile and cloud security

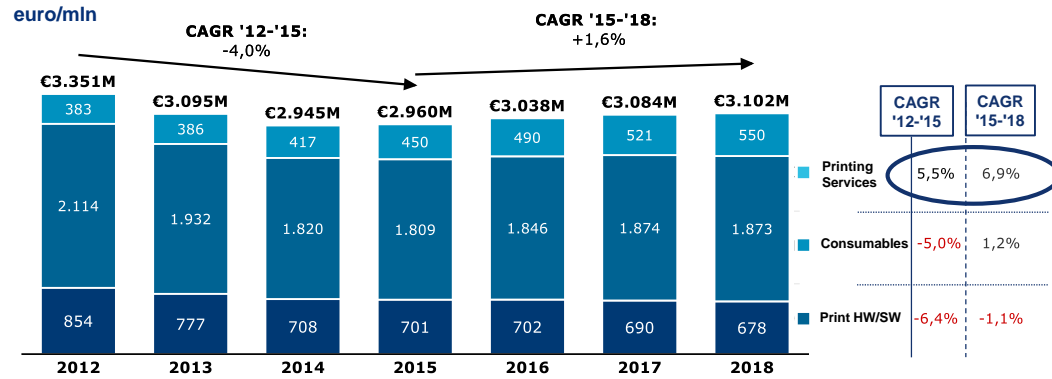
IT Security Market Italy (euro/mln)



Italian market has been growing at low single digit, driven mostly by SW and services

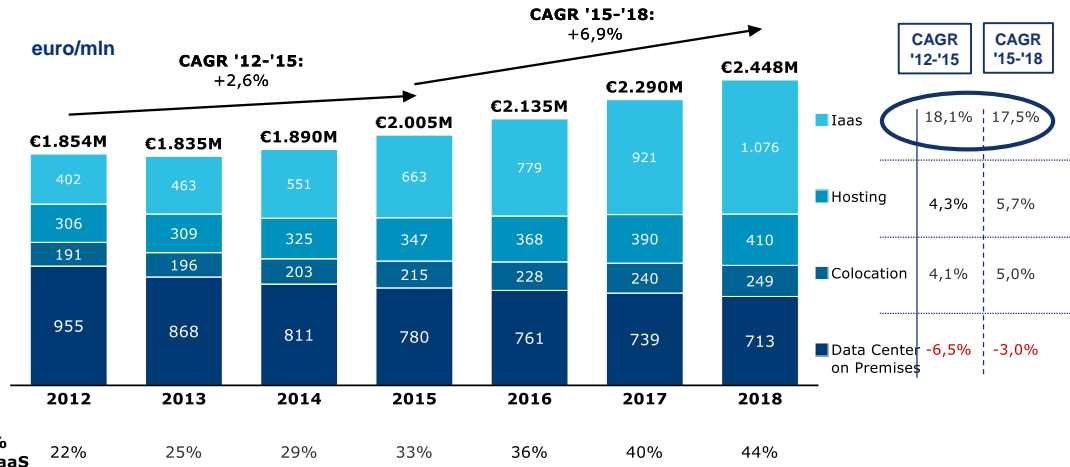
Source: IDC 2014

Source: Gartner, Markets and Markets, IDC, Assinform Report 2015



Enterprise Print End-User Spending Italian Market Evolution

Note: IaaS includes both Virtual Private Cloud and Public Cloud
Source: Gartner

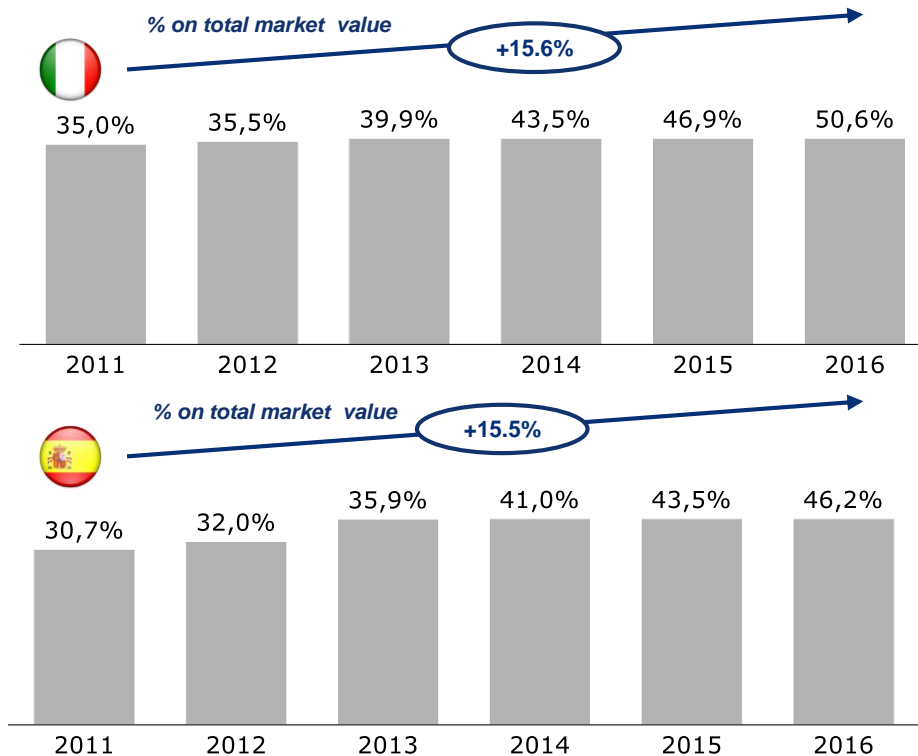


Data Center Services Italian Market Evolution

Note: IaaS includes both Virtual Private Cloud and Public Cloud
Source: Internal estimates on Sirmi, Gartner and Assinform



**ICT market: share intermediated by distributors
in Italy and Spain (% / 2011-2016)**










Role of distributors is expected to increase since...

- ... deflation in the hardware market is making direct sales less attractive
- ... IT offering is experiencing increasing complexity and heterogeneity
- ... small-medium enterprises using distributors as main route to market are growing share
- ... increasing channel usage by Vendors previously oriented to the direct sale
- ... new pure play vendors, focused on new technologies/ niche applications with value distributors as road to mass market

4 Increasing weight of distributor



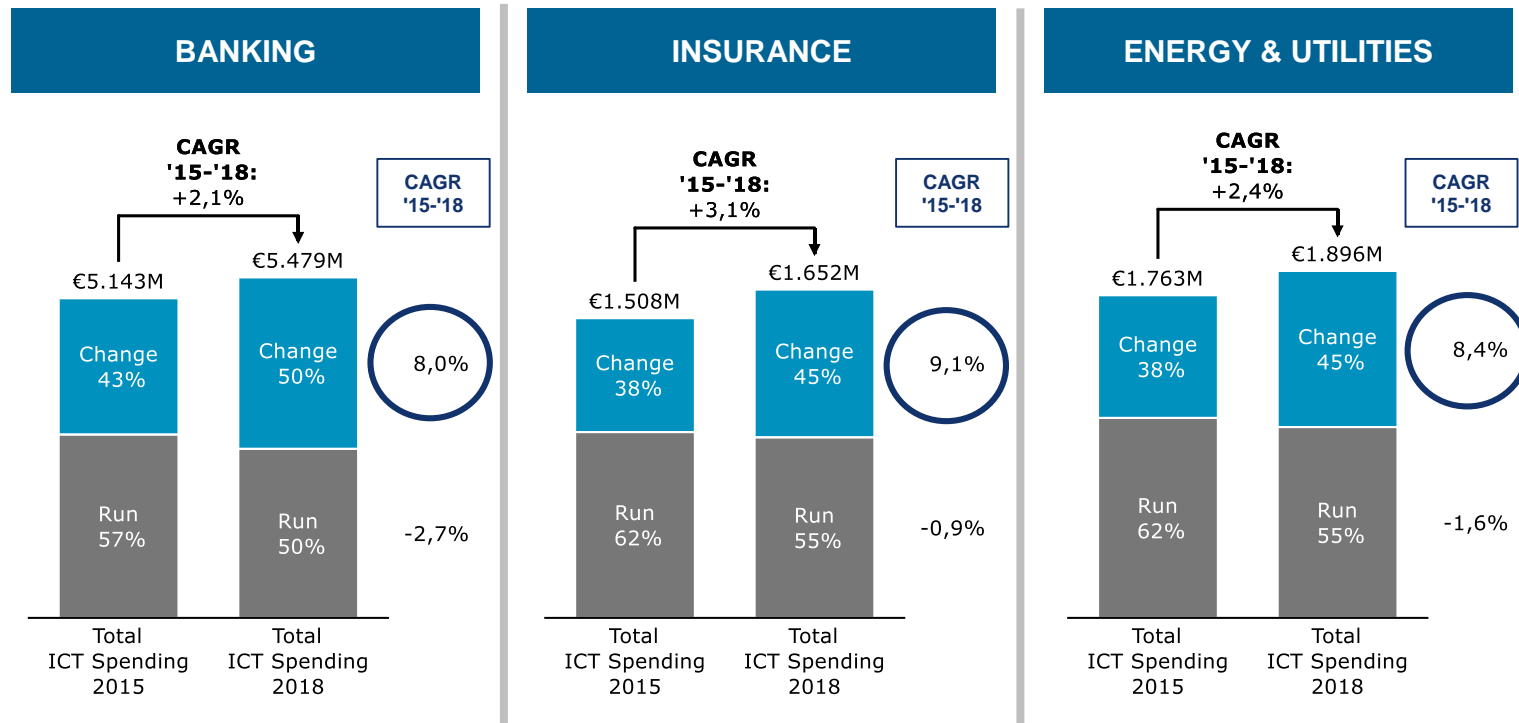
Increasing weight of distributor in line with worldwide trend and ICT & CE major vendors channel strategy

	Major Themes	Examples Of Recent Vendor Announcement
A	<ul style="list-style-type: none"> • Increase market penetration 	<ul style="list-style-type: none"> • Candy 'go-to-market' strategy leverages distribution channel to reach higher share of addressable market in Europe 
B	<ul style="list-style-type: none"> • Smartphone vendors switch go to market strategies 	<ul style="list-style-type: none"> • Smartphone vendors switching towards distribution mainly due to expansion in the market of new comers Chinese players, with no access to end market (eg. Spain) and by carriers not focusing on hardware • in the short term, some carrier partner with vendors to provide attractive offer to customers and increase volumes (eg. Vodafone and Apple)  
C	<ul style="list-style-type: none"> • Expanding partner program to include cloud partners 	<ul style="list-style-type: none"> • Cisco & HP created new cloud partner programs with the following features: <ul style="list-style-type: none"> - new access to distributor network, increased access to MDF, technical support, dedicated financing & flexible licensing/loans  
D	<ul style="list-style-type: none"> • Increasing indirect channel's share of total sales 	<ul style="list-style-type: none"> • ~40% of sales through the channel reached in 2015, through: <ul style="list-style-type: none"> - increased the customer revenue cutoff between enterprise (direct) and general business (indirect) from 500.0 euro/mln to 1.0 euro/bln - re-oriented its inside sales org to exclusively support channel partners by generating leads, helping cross-sell & up-sell etc. 
E	<ul style="list-style-type: none"> • Increasing thresholds for top tiered partners and providing greater rewards 	<ul style="list-style-type: none"> • Citrix increased the standards and rewards for tiered partners: <ul style="list-style-type: none"> - increased annual sales requirements & # of certified sales & technical people to 3.5 euro/mln and 16 people for platinum partners, 850 euro/000 and 7 people for gold partners - created more differentiated financial benefits to partners based on tiers 



Digital Transformation initiatives will drive the end market (business) IT spending switch from run to change

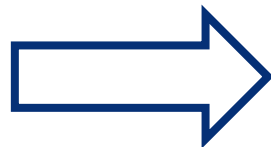
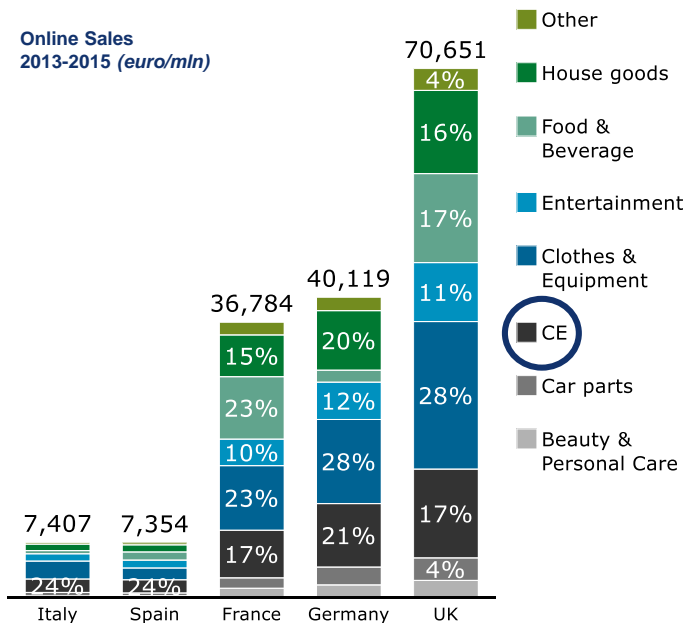
Run vs Change ICT Spending 2015-2020 Evolution



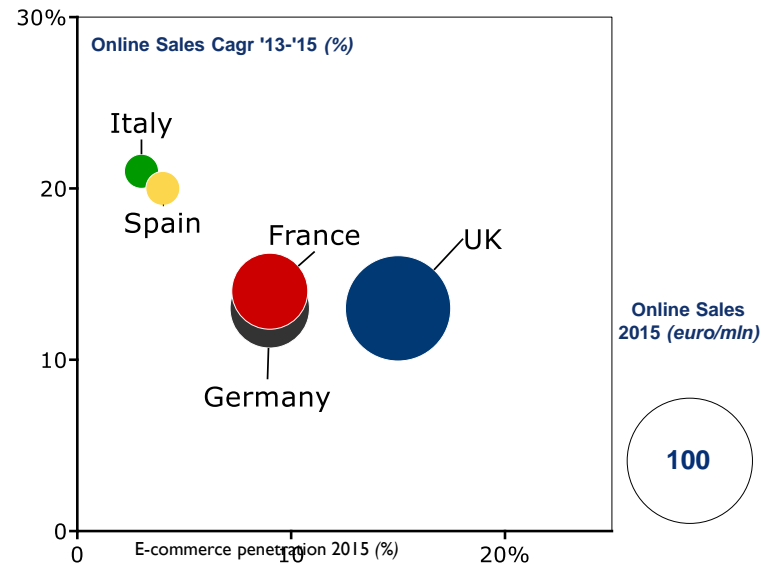


E-commerce in Italy and Spain at early stages compared to mature European countries (France, UK and Germany), growing at >20% cagr

E-commerce sales by country (euro/mln | 2015)



Growth and penetration by country (% | 2013-2015)



Consumer Electronic is second biggest E-commerce category in most markets

Italy and Spain have low E-commerce penetration but growth rates higher than other mature markets



	KEY MARKET TRENDS	IMPLICATIONS FOR ESPRINET STRATEGY
Geography/ Macro-economic	<ul style="list-style-type: none"> • Improved macroeconomic outlook within Esprinet reference markets (Italy, Spain, Portugal), in terms of: <ul style="list-style-type: none"> - GDP growth - disposable income - IT spending 	<ul style="list-style-type: none"> • Consolidate position in Italy and Spain with objective to gain up to 5% MS in both markets • Step-up in Portugal with ambition of accelerated growth • Evaluate external growth options to enter at scale in other European markets only in a second step
Vendors	<ul style="list-style-type: none"> • Continued polarization of vendor base, with dichotomy between: <ul style="list-style-type: none"> - consolidated base of big, mostly HW-oriented vendors expanding established ecosystem across consumer lifecycle (eg. wearables, home, auto) with continuous focus on incremental innovation to sustain share - fragmented base of small, niche pure play, SW-oriented vendors, focusing on emerging technologies and innovative applications 	<ul style="list-style-type: none"> • Value/Consolidated vendors: <ul style="list-style-type: none"> - invest in logistics assets to be the best partner as fulfiller while differentiating with value added services (e.g. category mgmt., CRM & advanced analytics) • Niche/emerging vendors in IT Value: <ul style="list-style-type: none"> - reinforce brand and offering and fully support their customer base enlargement, also taking advantage from specialist distributors suffering from margin pressure and small scale
Categories and Service Offer	<ul style="list-style-type: none"> • Traditional IT & CE (e.g. smartphones), with limited space for further disruptive innovation going forward and pressure on sell-out prices • Emerging technologies and innovative applications (eg. IoT) will drive value added IT & CE products demand growth 	<ul style="list-style-type: none"> • Focus towards value added / high margin categories with growth potential (e.g. IT Value) • Build role as distributor in emerging technology value chain enlarging the customer base (e.g. installers for IoT sensors) • Continue developing as-a-Service value proposition (focus on 'printing' and 'cloud')



Distribution

KEY MARKET TRENDS

- **Increased share of distribution intermediation** as vendor look for efficiency but also value added services in customer management
- **New categories** could shift from direct to indirect model (eg. white goods, industrial sensors & SW, etc.)
- **Consolidation of distribution landscape** could determine a **recovery of margins** (given both scale and less competitive pressure)
- Some categories still have a **fragmented distributors' base**

IMPLICATIONS FOR ESPRINET STRATEGY

- Continue to lead **industry consolidation in Italy and Spain** to enable margin recovery process
- Develop **efficient vertical sales process** to address **emerging product categories** (e.g. industry IoT/sensors/wearables) and categories shifting to distribution (e.g. white goods)
- Evaluate potential **M&A on selected categories** (i.e. consumables, IT Value, niche vendors) to acquire **new contracts** and **capabilities** and **accelerate MS increase**

Channel / End-market

- **Digital Transformation** initiatives **will drive the end market** (business) **IT spending switch** from run to change
- **E-commerce penetration will continue to grow**, mainly driven by pure players

- Develop **new services and integrated solutions** to **grow on VARs and SMB**
- **Develop ad-hoc coherent strategy** for e-tailers with focus on pure players:
 - invest in marketing to drive specific brands
 - proactively pursue 'long tail' products sales growth

Strategic guidelines and initiatives



Key actions and strategic initiatives (1/2)



Traditional IT channels

- Corporate resellers solutions (Assoteam, vertical alliances)
- SMB value-added solutions (New Web site, CRM, C&C)
- Value-added retail solutions (OK Retail)



Improve

Fulfillment consumer

- PCs/Mobility/Other CE Goods
- Retailer/E-tailer/Telco/Corporate/Public Sector

Value solutions

- Traditional data center technologies (server, storage, software, networking)
- Videosurveillance/Auto-ID
- Key next generation technologies: Information Security, Managed Printing Solution, Cloud, Big Data, Hyperconvergence



Expand

Accessories

- Mobility accessories (own brand «Celly», originals)
- IT accessories & components
- Office supplies

Consumer Verticals

- Sport technology (own brand «Nilox»)
- White goods



Real options

Key actions and strategic initiatives (2/2)



Traditional IT channels

- Corporate resellers solutions (Assoteam, vertical alliances)
- SMB value-added solutions (New Web site, CRM, C&C)
- Value-added retail solutions (OK Retail)



Stabilize margin erosion, increase customer loyalty

Fulfillment consumer

- PCs/Mobility/Other CE Goods
- Retailer/E-tailer/Telco/Corporate/Public Sector

Increase productivity in order to gain acceptable ROIC and free resources to re-direct towards more profitable segments

Capitalize on Vinzeo KH in Italy

Value solutions

- Traditional data center technologies (server, storage, software, networking)
- Videosurveillance/Auto-ID
- Key next generation technologies: Information Security, Managed Printing Solution, Cloud, Big Data, Hyperconvergence



Increase profitability in less mature and growing businesses

Capitalize on Vinzeo acquisition in Spain and EDSLan in Italy

Accessories

- Mobility accessories (own brand «Celly», originals)
- IT accessories & components
- Office supplies

Increase profitability in less mature and growing businesses

Fully leverage on Celly acquisition

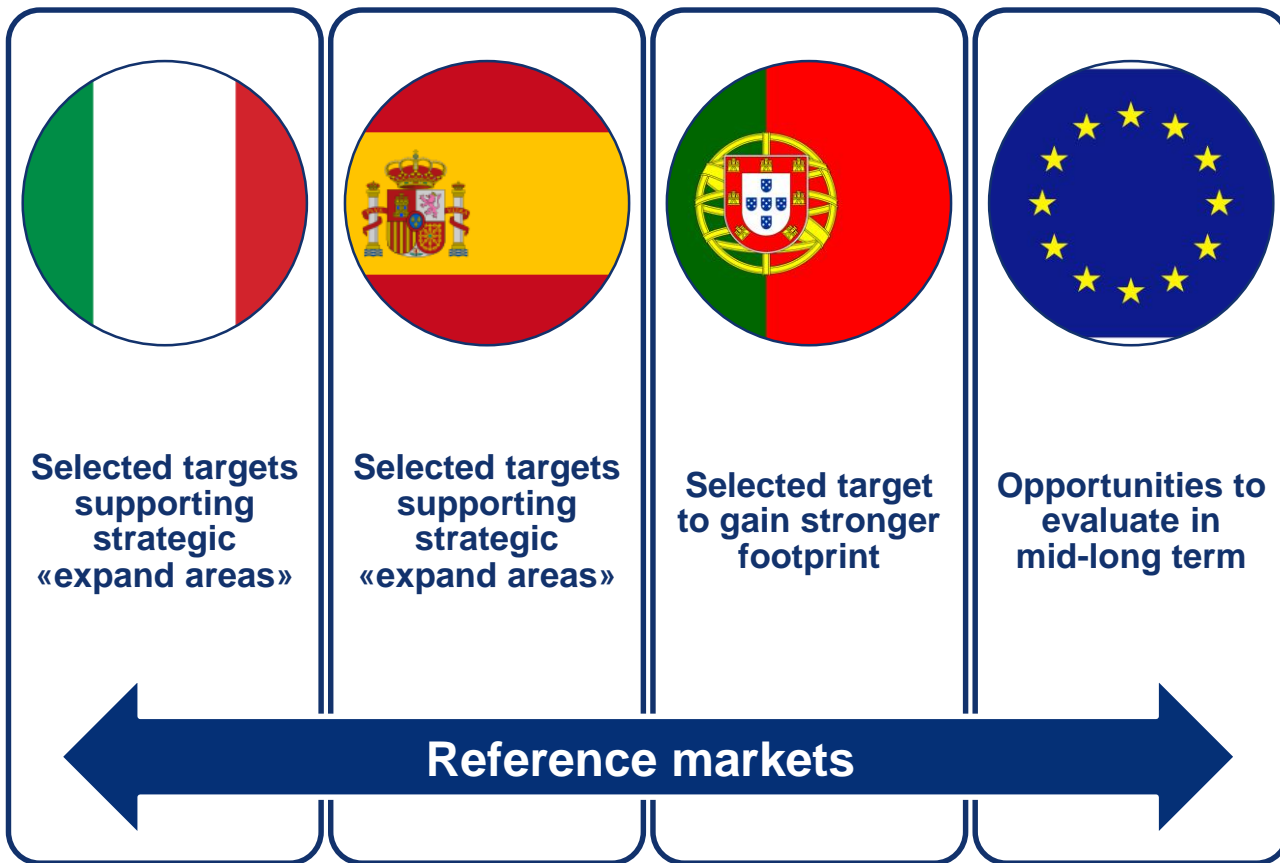
Consumer Verticals

- Sport technology (own brand «Nilox»)
- White goods



Longer term bets on potentially «transformational» opportunities

Capitalise on Nilox KH



2015A-18E Financials





(euro/000)	Annual 2016												
	Italy						Iberian Pen.						Elim. and other
	E.Spa + V-Valley	Mosaico	Celly	EDSIan	Elim. and other ITA	Total	Esprinet Iberian	Esprinet Portugal	V-Valley Iberian	Vinzeo + Tapes	Elim. and other IBE	Total	
Sales to third parties	1.900.972	11.042	30.415	53.212	-	1.995.640	690.275	26.785	741	328.889	-	1.046.689	-
Intersegment sales	50.849	-	1.911	1.678	(7.932)	46.506	20.845	25	-	1.269	(22.139)	-	(46.506)
Sales	1.951.821	11.042	32.326	54.890	(7.932)	2.042.146	711.120	26.810	741	330.158	(22.139)	1.046.689	(46.506)
Cost of sales	(1.848.942)	(10.128)	(18.071)	(47.172)	7.948	(1.916.365)	(683.589)	(26.320)	(673)	(319.961)	22.139	(1.008.404)	46.334
Gross profit	102.879	914	14.255	7.718	16	125.781	27.531	490	68	10.197	-	38.285	(172)
Gross Profit %	5,3%	8,3%	44,1%	14,1%	-0,2%	6,2%	3,9%	1,8%	9,2%	3,1%	-	3,7%	5,4%
Other incomes	-	-	-	2.838	-	2.838	-	-	-	-	-	-	-
Sales and marketing costs	(28.706)	(130)	(8.882)	(4.193)	(2)	(41.913)	(5.916)	(310)	(60)	(1.654)	-	(7.940)	(18)
Overheads and admin. costs	(54.463)	(122)	(3.640)	(2.816)	74	(60.967)	(13.355)	(515)	(50)	(3.438)	-	(17.357)	28
Operating income (Ebit)	19.710	662	1.733	3.547	88	25.739	8.260	(335)	(42)	5.105	-	12.988	(162)
EBIT %	1,0%	6,0%	5,4%	6,5%	-1,1%	1,3%	1,2%	-1,2%	-5,7%	1,5%	-	1,2%	1,3%
Finance costs - net	(1.908)	(51)	(284)	(128)	1.272	(1.099)	(1.264)	(50)	(4)	(429)	-	(1.748)	-
Share of profits of associates	-	-	1	-	-	1	-	-	-	-	-	-	-
Profit before income tax	17.802	611	1.450	3.419	1.360	24.641	6.996	(385)	(46)	4.676	-	11.240	(162)
Income tax expenses	(4.925)	(193)	(382)	(193)	(334)	(6.027)	(1.631)	76	12	(1.331)	-	(2.874)	51
Net income	12.877	418	1.068	3.226	1.026	18.614	5.365	(309)	(34)	3.345	-	8.366	(111)
- of which attributable to non-controlling interests						224						(5)	203
- of which attributable to Group						18.390						8.381	26.667



(euro/000)	notes	2016	%	2015	notes	%	% var. 16/15	2014	notes	%
<u>Profit & Loss</u>										
Sales		3.042.330	100,0%	2.694.054		100,0%	13%	2.291.141		100,0%
Gross profit		163.895	5,4%	156.864		5,8%	4%	141.836		6,2%
EBITDA	(1)	43.072	1,4%	50.558		1,9%	-15%	45.139		2,0%
Operating income (EBIT)		38.566	1,3%	46.499		1,7%	-17%	41.086		1,8%
Profit before income tax		35.720	1,2%	42.247		1,6%	-15%	39.100		1,7%
Net income		26.870	0,9%	30.041		1,1%	-11%	26.813		1,2%
<u>Financial data</u>										
Cash flow	(2)	30.820		33.378				30.080		
Gross investments		11.710		5.731				3.593		
Net working capital	(3)	102.322		21.905				58.627		
Operating net working capital	(4)	102.046		34.512				77.431		
Fixed assets	(5)	124.516		101.083				98.058		
Net capital employed	(6)	212.535		111.692				144.588		
Net equity		317.956		297.606				274.872		
Tangible net equity	(7)	225.299		221.695				198.605		
Net financial debt	(8)	(105.424)		(185.913)				(130.284)		
<u>Main indicators</u>										
Net financial debt / Net equity		(0,3)		(0,6)				(0,5)		
Net financial debt / Tangible net equity		(0,5)		(0,8)				(0,7)		
EBIT / Finance costs - net		13,5		11,0				20,7		
EBITDA / Finance costs - net		15,1		11,9				22,7		
Net financial debt/ EBITDA		(2,4)		(3,7)				(2,9)		
<u>Operational data</u>										
N. of employees at end-period		1.327		1.016				969		
Average number of employees	(9)	1.173		993				972		
<u>Earnings per share (euro)</u>										
- Basic		0,52		0,59			-12%	0,53		
- Diluted		0,51		0,58			-12%	0,52		

Esprinet Group - Profit & Loss 2015A-18E («as reported»)⁽¹⁾



Esprinet Group
Plan 2016A-18E

(euro/mIn)	Esprinet Group FY15A		Esprinet Group FY16A "as reported"		Esprinet Group FY18E		CAGR 15- 18E
Sales	2.694	100,00%	3.042	100,00%	3.780	100,00%	12%
Cost of sales	(2.537)	-94,18%	(2.878)	-94,61%	(3.565)	-94,32%	12%
Gross Profit	157	5,82%	164	5,39%	215	5,68%	11%
Other income			3	0,09%			
SG&A	(110)	-4,10%	(128)	-4,21%	(148)	-3,92%	10%
EBIT	46	1,73%	39	1,27%	67	1,77%	13%
D&A	3	0,11%	3	0,11%	4	0,10%	9%
EBITDA	49	1,84%	42	1,38%	71	1,87%	13%
Finance costs - net	(4)	-0,16%	(3)	-0,09%	(1)	-0,04%	
Profit before taxes	42	1,57%	36	1,18%	65	1,73%	16%
Taxes	(12)	-0,45%	(9)	-0,29%	(17)	-0,45%	
Net profit	30	1,12%	27	0,89%	48	1,28%	17%
Tax rate	29%		25%		26%		
<u>Var. % y-o-y</u>							
Sales			13%				
Gross Profit			5%				
EBIT			-17%				
EBITDA			-15%				

⁽¹⁾ Includes EDsLan and Vinzeo results since their respective consolidation (08/04/16 and 01/07/16). Mosaico and VV-iberian figures since their acquisition.



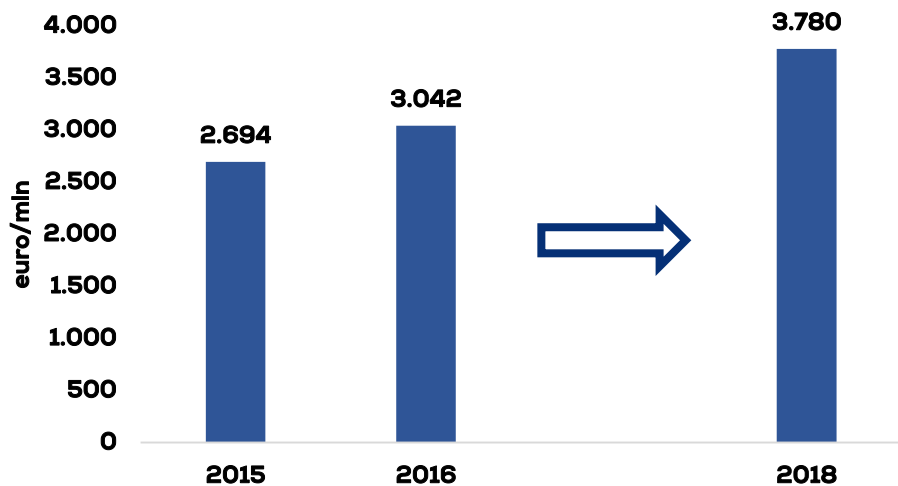
(euro/mln)	Esprinet Group FY15A		Esprinet Group FY16A "pro-forma"		Esprinet Group FY18E		CAGR 15- 18E
Sales	2.694	100,00%	3.281	100,00%	3.780	100,00%	12%
Cost of sales	(2.537)	-94,18%	(3.107)	-94,71%	(3.565)	-94,32%	12%
Gross Profit	157	5,82%	174	5,29%	215	5,68%	11%
Other income			3	0,09%			
SG&A	(110)	-4,10%	(136)	-4,13%	(148)	-3,92%	10%
EBIT	46	1,73%	41	1,25%	67	1,77%	13%
Var. % y-o-y							
Sales			22%				
Gross Profit			11%				
EBIT			-12%				



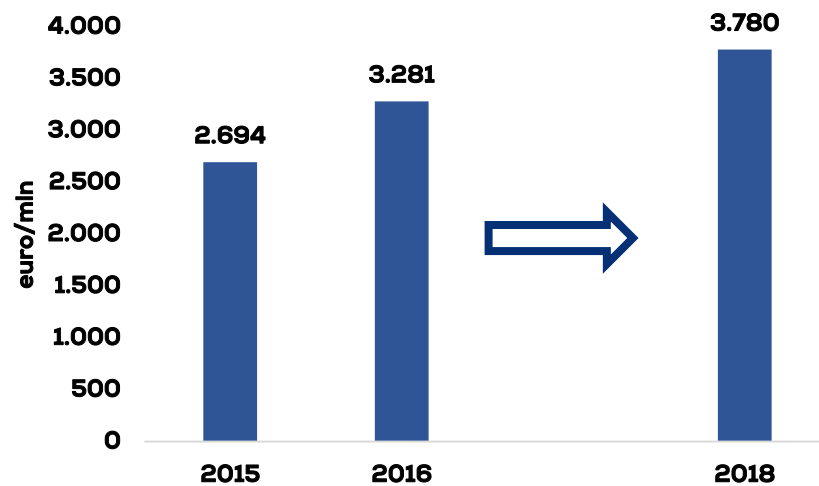
(2) Includes EDSLan and Vinzeo results since January 1st, 2015. Mosaico and VV-iberian figures since their acquisition.



Sales 2015-2018 (as reported)

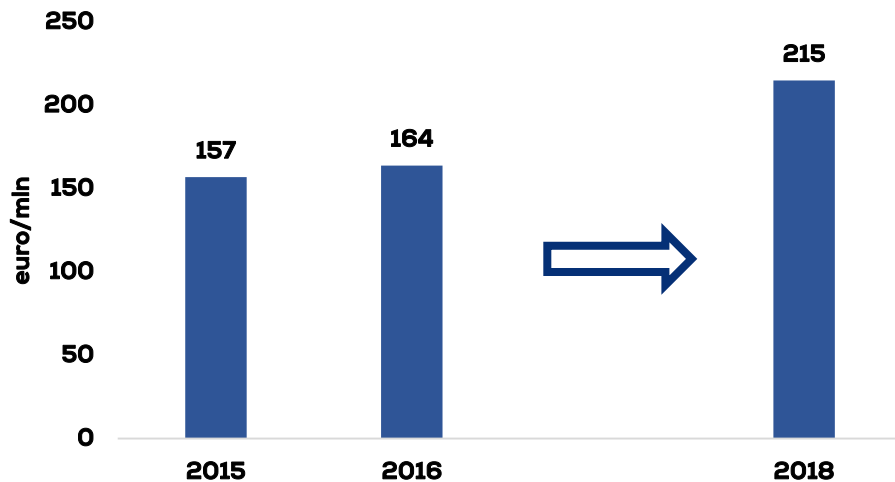


Sales 2015-2018 (pro-forma)

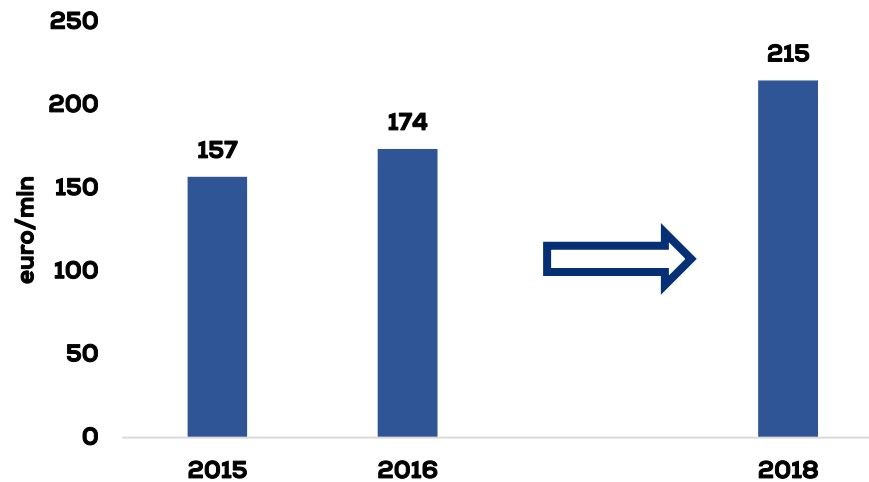


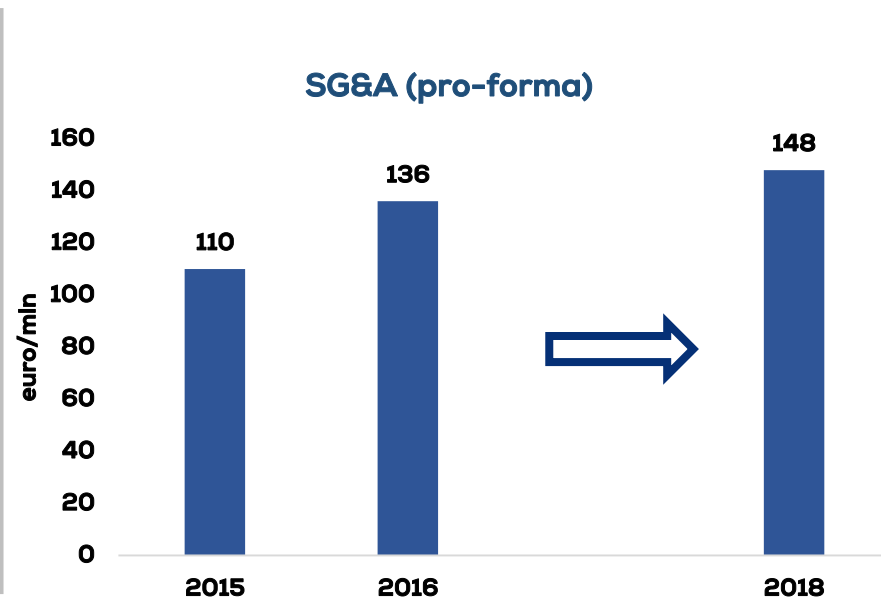
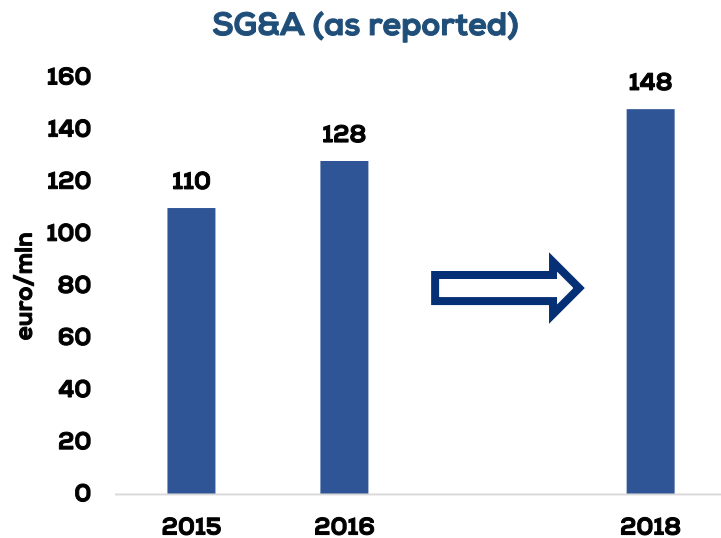


Gross Profit (as reported)



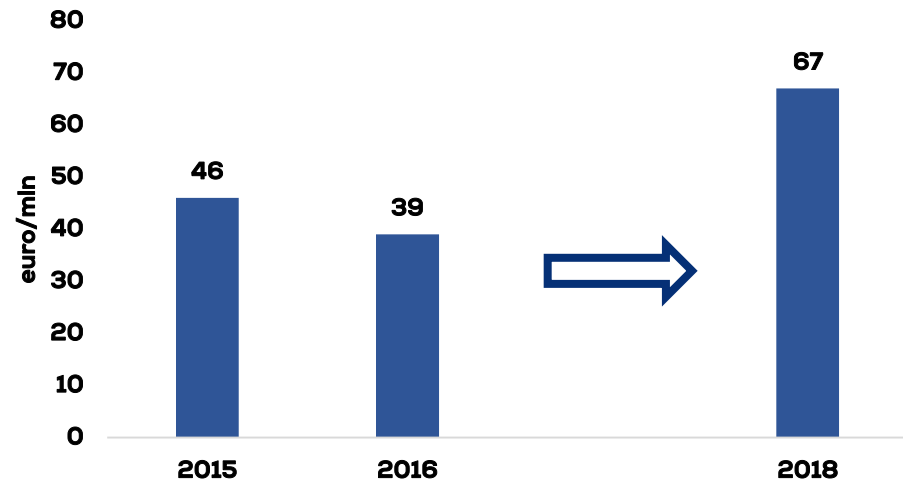
Gross Profit (pro-forma)



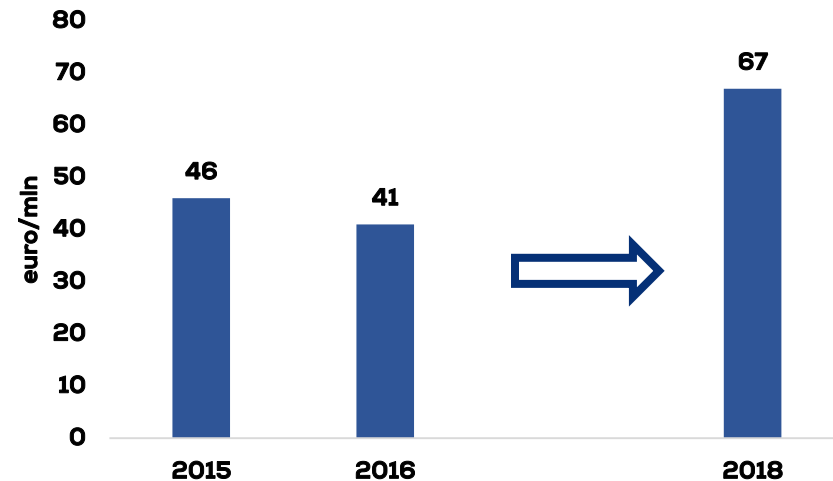




EBIT (as reported)



EBIT (pro-forma)



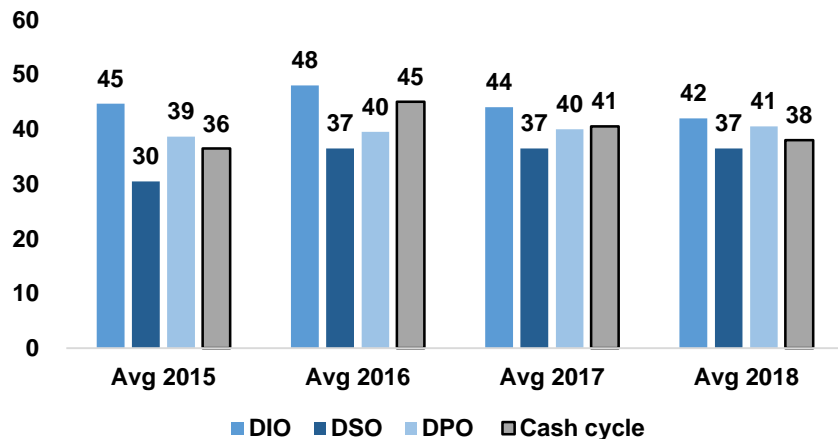
Key drivers on operating working capital¹ (1/2)



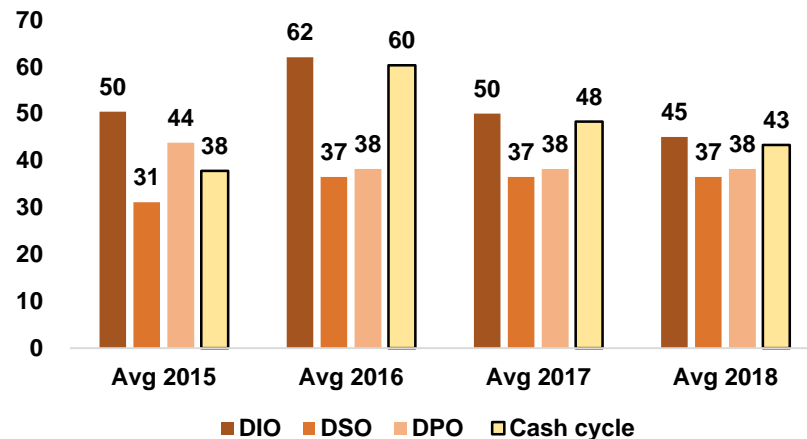
Esprinet S.p.A. and Esprinet Iberica working capital improvement from spike in 2016 mainly due to the following:

- expected de-stocking of «retail» products both in Italy and Spain;
- increased weight of mobility devices enjoying better rotation;
- higher efficiency in credit notes cash-in in Italy;
- stabilising utilization of 'non recourse' factoring schemes and 3-year securitization program (Esprinet Italy+VV).

WC Days Esprinet S.p.A. & V-Valley



WC Days Esprinet iberica



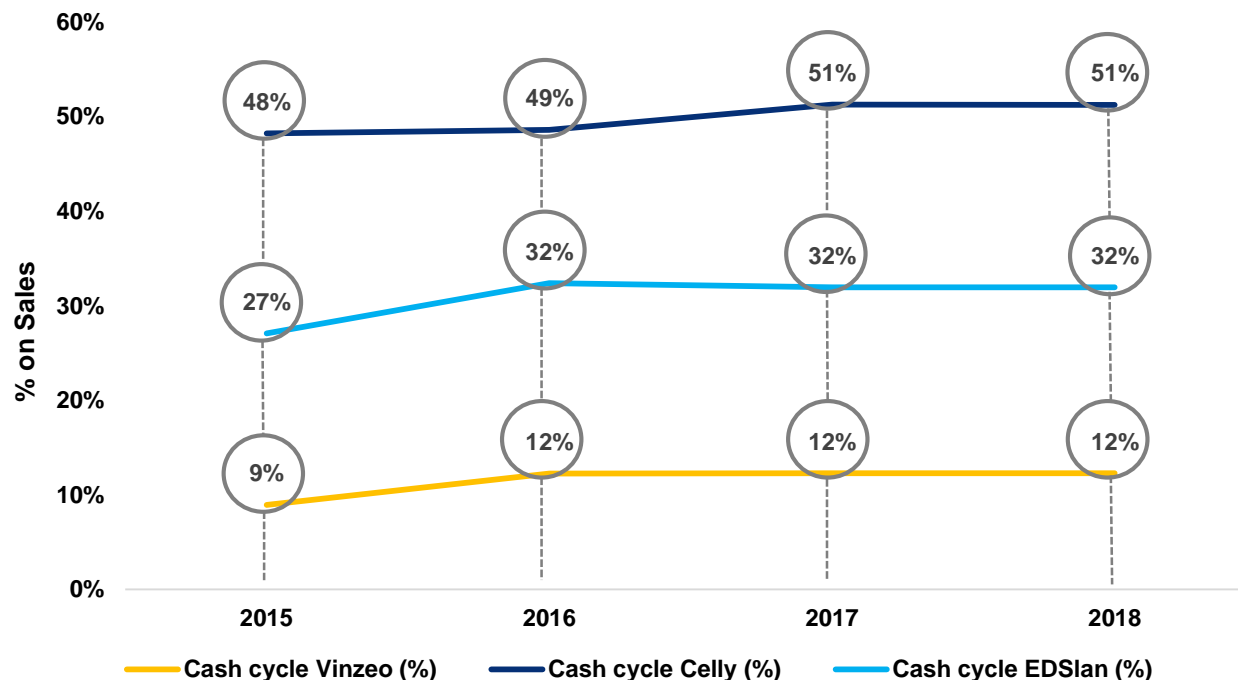
⁽¹⁾ Figures 2016 are Oct. 2016 expectation

Key drivers on operating working capital¹ (2/2)



Vinzeo, EDSlan and Celly to maintain same efficiency in working capital management as expressed by 2016 % of sales.

Stabilising utilization of 'non recourse' factoring schemes (Vinzeo).



⁽¹⁾ Figures 2016 are Oct. 2016 expectation

Corporate Governance





Esprinet is listed in the STAR Segment 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, which voluntarily adhere to and comply with a number of strict requirements:

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

Major requirements to maintain the STAR 'status' are the following:

- interim financial statements available to the public within 45 days from the end of first, third and fourth quarter;
- 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 (Italian and English) post interim management statements, yearly financial reports, half-yearly financial reports, consolidated annual financial statements (together with any other information specified by Borsa Italiana in the Instructions);
- mandatory presence of a qualified investor relator and a "specialist" [eg. an intermediary charged (a) to display continuously bids and asks subject to certain limits, (b) produce researches on the issuer and (c) organise meetings between the management and professional investors];
- adoption of the organisational, operational and control models provided for in art. 6 of Leg Decree 231/2001;
- application of Corporate Governance Code in relation to (i) composition of the Board Of Directors, (ii) the role and functions of non-executive and independent directors, (iii) the creation and working of internal committees of the Board Of Directors, (iv) remuneration of directors (v) appointment of a control and risk committee.

Esprinet is fully compliant⁽¹⁾ with the Code of self-discipline (Corporate Governance Code).

⁽¹⁾ With two minor exceptions which are explained as permitted by the Code

Board of directors' profile



Francesco Monti, was born in Bovisio Masciago on 1st April 1946. He was among the founding members of Comprel where he served as the Sole Executive.

He served as Chairman of Comprel beginning in 1983 and, following the merger with Celomax, he has served as **Chairman** of Espritnet.



Maurizio Rota, was born in Milan on 22 December 1957. After his early professional experiences as sales supervisor for companies operating in the information technology industry, in 1986 he founded Micromax, serving as the company's Chairman.

Today Mr. Rota is the **Vice Chairman** and **Chief Executive Officer** of Espritnet.



Alessandro Cattani, was born in Milan on 15 August 1963. After completing his first degree in electronic engineering, he earned a management Master ("CEGA") at the Bocconi University in Milan.

From 1990 to 2000 Mr. Cattani worked on the development of management consulting projects and he currently serves Espritnet as **Chief Executive Officer**.

Name	Position	Exec.	Ind.	Strategy Comm.	Control and risk Comm.	Remun. and appointment Comm.	Comp. and sustainability Comm.
Francesco Monti	Chairman	X		X			
Maurizio Rota	CEO Deputy Chairman	X		X			
Alessandro Cattani	CEO	X		X			X
Valerio Casari	CFO	X					X
Matteo Stefanelli	Director			X			X
Tommaso Stefanelli	Director			X			X
Marco Monti	Director			X			
Mario Massari	Director		X		X	X	
Andrea Cavaliere	Director						
Chiara Mauri	Director		X		X	X	
Cristina Galbusera	Director		X			X	
Emanuela Prandelli	Director		X				



Approximately 32.1% of total shares are locked up into a shareholders agreement signed on February 24th 2016 with effectivity and validity in force until 19th February 2019.

More particularly the agreement involves n. 16,819.135 Esprinet ordinary shares (PRT.MI) out of 52,404,340, total shares, as better described in following table below, and provides, inter alia, for an agreement (i) to vote the members of Esprinet's Board of directors/Board of statutory auditors and (ii) to limit the transfer of shares.

Shareholder	N° ordinary shares locked-up	% on total issued shares	% on total locked-up shares
Total	16,819.135	32.095%	100.000%
Francesco Monti	8.232.070	15,709%	48.945%
Paolo Stefanelli	3,900,000	7.442%	23.188%
Tommaso Stefanelli	750,000	1.431%	4.459%
Matteo Stefanelli	750,000	1.431%	4.459%
Maurizio Rota	2.652.458	5.010%	15.610%
Alessandro Cattani	561.607	1.072%	3.339%

Corporate Social Sustainability





LEED Platinum

Certification

for the environmental sustainability
of the administrative building

100% energy
from renewable
sources

-24%

Natural gas consumption
2015 vs 2014

180 events

on the territory

attended by **6.760**

customers

**Initiatives in the
territory**

with:

Comitato Maria Letizia Verga,
AVIS, Ospedale San Raffaele,
Comune di Vimercate

Integrated management system

**Quality,
Environment,
Health and
Safety**

661

workforce employees

53%

of new recruits in 2015
aged under 30 years

89%

Employees involved in
the work performance
appraisal process

53%

female representation



Group Headquarter:
Esprinet S.p.A.
 Via Energy Park 20
 Vimercate (Italy)
www.esprinet.com



Esprinet Iberica:
 Nave 1, Campus 3-84,
 calle Osca 2
 50197 Zaragoza (Spain)

Investor Contacts:
<http://investor.esprinet.com>
investor@esprinet.com

 Investor Relations Director:
Michele Bertacco
michele.bertacco@esprinet.com