RESULTS OF THE FIRST QUARTER OF 2021 ONCE AGAIN REWARD THE GROUP'S STRATEGY: SALES +28%, ADJ. EBITDA +70%, NET INCOME +159%, SIGNIFICANT GROWTH IN MARKET SHARE

Q1 2021

Sales: Euro 1.166 million, +28% (Q1 20: Euro 914 million)
Adj. EBITDA: Euro 20.3 million, +70% (Q1 20: Euro 11.9 million)
Net income: Euro 10.2 million, +159% (Q1 20: Euro 3.9 million)
Cash Conversion Cycle: 5 days (Q1 20: 20 days)
ROCE: 19.7% (Q1 20: 8.6%)
Net Financial Position: negative for Euro 71.6 million (Q1 20: negative for Euro 127.1 million)

GUIDANCE 2021

Sales: > Euro 5.0 billion
Adj. EBITDA: > Euro 80 million

Vimercate (Monza Brianza), 14 May 2021 - The Board of Directors of ESPRINET (PRT:IM), a leader in southern Europe in the distribution of IT, Consumer Electronics and Advanced Solutions, today approved the **Interim Management Statement as at 31 March 2021**.

Alessandro Cattani, Chief Executive Officer of ESPRINET: *"We closed the first quarter of 2021 with significant growth in all economic-financial indicators, registering a further acceleration in the ROCE driven strategy that has been the cornerstone of our decisions for two years. Profitability registered double-digit growth, with a EBITDA Adjusted/Sales ratio up by 33% compared to the previous year. The rigorous and constant commitment to improving the customer satisfaction indexes, to ensure customers and suppliers with a first-rate service, especially in view of the persistent difficulties connected with the pandemic, is rewarding all business lines with improved margins. The first quarter also recorded a contribution of Euro 2.1 million in terms of Adjusted EBITDA deriving from the acquisitions of GTI Software Y Networking S.A. in Spain, leader in the Cloud segment, and of Dacom S.p.A. and idMAINT S.r.l. in Italy, leaders in the Automatic Identification and Data Capture and related services segment. The sales of other high profit margin business lines belonging to the Advanced Solutions segment also provided a big boost to profitability, despite a market still in difficulty due to companies' lower propensity to invest in infrastructures. On the strength of further consolidated market shares in all product and customer segments in the countries of southern Europe in which we operate, we look at the current year in a positive light, albeit not forgetting the framework of persistent uncertainty tied to the pandemic. The first half of 2021 should confirm a favourable comparison with the previous year; by contrast, the second half opens up a number of scenarios relating, in particular, to the trend in consumer demand and the hoped-for recovery in corporate demand. Based on these premises, our guidance for 2021 forecasts sales exceeding Euro 5.0 billion and Adjusted EBITDA of more than Euro 80 million*".

DOUBLE-DIGIT GROWTH FOR ALL PROFITABILITY INDICATORS

There were even better results for ESPRINET, which in the first quarter of 2021, recorded **Sales** of Euro 1,166.0 million, +28% compared to Euro 913.8 million in Q1 20. Contributions to this result were provided by both organic growth (+23%) and the Euro 42.8 million deriving from the activities of Gruppo GTI in Spain acquired in the fourth quarter of 2020, and Dacom S.p.A. and idMAINT S.r.l. in Italy, acquired at the beginning of Q1 2021.

Gross Profit, amounting to Euro 56.1 million, shows an increase of 33% over Q1 20 (Euro 42.3 million), due to both higher sales and the improvement in the percentage margin, which stands at 4.81% (compared to 4.63% in Q1 20), despite the weight of sales of PCs and smartphones having risen further.

Adjusted EBITDA, which coincides with **EBITDA** given that no non-recurring costs were recorded, amounted to Euro 20.3 million, marking an increase of +70% compared to Euro 11.9 million in Q1 20, also due to a lower incidence of costs. Excluding the positive contribution of Euro 2.1 million deriving from the acquisitions cited above, the figure sits at Euro 18.2 million (+52% compared to Q1 20). The incidence on sales rose to 1.74% compared to 1.31% in Q1 20.

EBIT came to Euro 16.5 million, marking significant growth (+98%) compared to Euro 8.3 million in Q1 20. The incidence on sales rose to 1.42% compared to 0.91% in Q1 20.

Profit before income taxes amounted to Euro 14.1 million, up considerably compared to Euro 5.9 million in Q1 20.

Net income, up by 159%, amounted to Euro 10.2 million (Euro 3.9 million in Q1 20).

ABOVE-MARKET GROWTH IN SALES AND MARKET SHARE FURTHER CONSOLIDATED ALSO DUE TO THE CUSTOMER SATISFACTION PROGRAMMES

In the first three months of 2021, all **reference markets** recorded robust growth: according to Context data, Italy is worth Euro 2.4 billion (+21% compared to Q1 20), Spain Euro 1.6 billion (+20%) and Portugal Euro 374 million (+13%). ESPRINET outperformed the market in all the countries in which it operates, consolidating its shares and recording the best result in the last few years.

The constant commitment to improving the customer satisfaction indexes rewarded the Group in both **customer segments**. In the first three months of 2021, the market recorded growth of +18% in the *Business Segment* (IT Reseller) and +23% in the *Consumer Segment* (Retailer, E-tailer). Group sales recorded above-market growth in both the *Business Segment* (+39%) and the *Consumer Segment* (+25%).

ADVANCED SOLUTIONS SALES: +48% IN AN ESSENTIALLY FLAT MARKET.
PC SALES: +41% IN A MARKET THAT SHOWED NO SIGNS OF SLOWING DOWN

In the first three months of 2021, the *IT Clients* **market** [1] in southern Europe recorded growth of +36%, still driven by the significant increase in demand for PCs that, despite the persistence of problems of product availability linked to the shortage of components and logistics issues, rose by +49%, thanks to the sales in the mobile segment (laptops and tablets), in Italy and Spain fuelled by the purchases by the Public Administration in the educational area, as well as purchases by families to meet remote learning needs. Printing started to grow again (+6%), due in particular to the results obtained by sales of consumer products.
In the *Consumer Electronics* market, all categories recorded double-digit growth: Smartphones +23%, Domestic appliances +35% and Gaming +59%, other CE products +16%.
Advanced Solutions confirmed a challenging period (-4%), due to companies' lower propensity to invest in infrastructures. The +2% increase in the Hardware products category did not offset the decline in Software, Services and Cloud (-8%).
With sales at Euro 1,166.0 million, growth of +28% compared to Q1 20, the Group recorded a major acceleration in *Advanced Solutions* (+48%), also thanks to the contribution from the acquisitions of

[1] Source: Context.

the GTI Group in Spain, leader in the Cloud segment, and of Dacom and idMAINT, leaders in the Automatic Identification and Data Capture segment, in Italy. In *IT Clients*, the Group registered notable increases in all categories: PCs +41%, Printing +6% and other IT products +54%. Also in the *Consumer Electronics* area, sales were up in all categories: Smartphones +23%, White Goods +29%, Gaming +8% and other CE products +17%.

CASH CONVERSION CYCLE EQUAL TO 5 DAYS, THE NEW BEST PERFORMANCE EVER

The *Cash Conversion Cycle*[2] recorded the best performance ever, closing at 5 days (-3 days compared to Q4 20 and -15 days compared to the Q1 20). In particular, the following trends were recorded:

- Days sales of inventory (DSI): -1 day vs Q4 20 (-7 days vs Q1 20),
- Days sales outstanding (DSO): unchanged vs Q4 20 and vs Q1 20,
- Days payable outstanding (DPO): +2 days vs Q4 20 (+8 days vs Q1 20).

NEGATIVE NET FINANCIAL POSITION FOR EURO 71.6 MILLION (EURO 127.1 MILLION IN Q1 20)

The Net Financial Position, influenced by technical factors such as the seasonal nature of the business and the trend in customer and supplier behavioural models in the different periods of the year which do not, therefore, make it representative of the average levels of net financial debt observed in the first 3 months of 2021, is a negative Euro 71.6 million, down compared to 31 December 2020 (positive for Euro 302.8 million) and an improvement compared to 31 March 2020 (negative for Euro 127.1 million). It is strictly influenced by the management of Working Capital (equal to Euro 235.1 million compared to Euro -121.0 million as at 31 December 2020 and Euro 285.5 million as at 31 March 2020), whose result depends on the degree of use of factoring, securitisation and the technical forms of advance collection of receivables with similar effects - i.e. "confirming" -, plans that generated an overall impact on the level of consolidated net financial debts amounting to roughly Euro 353.6 million, a reduction of Euro 47.9 million compared to Euro 401.5 million as at 31 March 2020.

ROCE AT 19.7% THANKS TO EFFICIENT MANAGEMENT OF THE CASH CONVERSION CYCLE AND INCREASE IN OPERATING PROFITABILITY

The **ROCE** stood at **19.7%**, compared to 8.6% in Q1 20. The main changes related to this trend can be summarised as follows:

- the "NOPAT - Net Operating Profit Less Adjusted Taxes" grew compared to 31 March 2020;
- the Average Net Invested Capital, measured before the effects of the introduction of IFRS 16, decreased (-33%) due to the lower Average Net Working Capital.

(€/millions)	Q1 2021	Q1 2020	FY 2020
LTM operating profit (Adj. EBIT)[3]	**61.2**	**40.7**	**52.9**
NOPAT[4]	**45.9**	**30.1**	**39.7**
Average Net Invested Capital[5]	**233.4**	**350.7**	**158.1**
ROCE[6]	**19.7%**	**8.6%**	**25.1%**

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[2] Equal to the average of the last 4 quarters of days of turnover of Operating Net Working Capital calculated as the sum of trade receivables, inventories and trade payables.
[3] Equal to the sum of Adj. EBITs - excluding the effects of IFRS 16 - in the last 4 quarters.
[4] LTM operating profit (Adj. EBIT), as defined above, net of taxes calculated at the actual tax rate of the last set of annual consolidated financial statements published.
[5] Equal to the average of "Loans" at the closing date of the period and at the four previous quarterly closing dates (excluding the equity effects of IFRS 16).
[6] Equal to the ratio between (a) NOPAT, as defined above, and (b) the Average Net Invested Capital as defined above.

GUIDANCE 2021

Also on the basis of the results achieved in the first three months of 2021 in terms of profitability and consolidated market shares, the ESPRINET GROUP views the current year in a positive light. The first half of 2021 should confirm a favourable comparison with the previous year; by contrast, the second half opens up a number of scenarios, given the persistence of a framework of uncertainty tied to the pandemic. Although, on the one hand, the demand for consumer products could slow because partially replaced by the purchase of goods and services still compromised by the restrictions that will gradually be removed, on the other, demand related to the strengthening of digital infrastructures could also accelerate given that it is sustained by national investment plans as part of the Next Generation EU programme. In order to assist customers and suppliers in the digital transformation, the Group's strategic guidelines will be developed further in terms of the *Consumption model (Cloud, DaaS and MPS)* and *Outsourcing* of logistics and digital services *(Digital Servitization).*

Based on these premises, certain of the growing centrality of the IT distribution industry in the current global context, and with the expectation of greater visibility of the trend in consumer demand in the final part of the year, the guidance for the year 2021 forecasts sales exceeding Euro 5.0 billion and an Adjusted EBITDA of more than Euro 80 million.

SUBSEQUENT EVENTS

Purchase of own shares

Between 20 April 2021 and 12 May 2021, as per the authorisation of the Shareholders' Meeting of 7 April 2021, Esprinet S.p.A. purchased 1,464,369 ordinary Esprinet S.p.A. shares, corresponding to 2.88% of the share capital, at an average unit price of Euro 13.56 per share.

The shares acquired will partly go towards fulfilling the obligations stemming from the "Long Term Incentive Plan 2021-2023" and partly aimed at reducing the number of shares outstanding.

Due to these purchases, as at 14 May 2021, Esprinet S.p.A. held 1,528,024 own shares, equal to 3.00% of share capital.

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 art. 154-bis of Legislative Decree No. 58/1998 (T.U.F. - Consolidated Law on Finance), the financial data shown in this press release corresponds to the findings resulting from accounting documents, books and accounting records.

Esprinet (PRT:IM – ISIN IT0003850929), with around 1,600 employees and 4.5 billion euro in turnover in 2020, 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, data centres & cybersecurity, smartphones, audio-video, TV, gaming, household appliances and 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 and 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, and 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 pave the way for further improvements in the scenarios of the technological distribution industry.

Press release available on www.esprinet.com and on www.emarketstorage.com.

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SALES BY PRODUCT FAMILY

€/millions	Q1 2021	Q1 2020	Var. %
PC (notebook, tablet, desktop, monitor)	458.0	325.2	41%
Printing devices and supplies	110.9	105.1	6%
Other IT products	86.7	56.3	54%
Total IT Clients	**655.6**	**486.6**	**35%**
Smartphones	291.9	237.0	23%
White goods	12.9	10.0	29%
Gaming hardware and software	4.0	3.7	8%
Other consumer electronics products	33.9	28.9	17%
Total Consumer Electronics	**342.7**	**279.6**	**23%**
Hardware (networking, storage, server & others)	125.9	95.1	32%
Software, Services, Cloud	81.6	44.8	82%
Total Advanced Solutions	**207.5**	**139.9**	**48%**
Adjustments	(39.8)	7.7	-617%
Sales from contracts with customers	**1,166.0**	**913.8**	**28%**

SALES BY GEOGRAPHICAL SEGMENT

€/millions	Q1 2021	Q1 2020	Var. %
Italy	732.6	596.4	23%
Spain	405.5	298.3	36%
Portugal	17.0	11.3	50%
UE	6.8	5.1	33%
Extra-UE	4.1	2.7	52%
Sales from contracts with customers	**1,166.0**	**913.8**	**28%**

SALES BY CUSTOMER TYPE

€/millions	Q1 2021	Q1 2020	Var. %
Retailer/e-tailer	481.1	384.4	25%
IT Reseller	724.7	521.7	39%
Adjustments	(39.8)	7.7	-617%
Sales from contracts with customers	**1,166.0**	**913.8**	**28%**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€/000)	Q1 2021	Q1 2020	Var. %
Sales from contracts with customers	**1,166,038**	**913,762**	**28%**
Cost of goods sold excl. factoring/securitisation	1,108,970	870,698	27%
Financial cost of factoring/securisation[1]	934	780	20%
Gross Profit[2]	**56,134**	**42,284**	**33%**
Gross Profit %	*4.81%*	*4.63%*	
Personnel costs	20,862	16,884	24%
Other operating costs	14,974	13,472	11%
EBITDA adjusted	**20,298**	**11,928**	**70%**
EBITDA adjusted %	*1.74%*	*1.31%*	
Depreciation e amortisation	1,136	1,121	1%
IFRS 16 Right of Use depreciation	2,616	2,464	6%
Goodwill impairment	-	-	n/s
EBIT adjusted	**16,546**	**8,343**	**98%**
EBIT adjusted %	*1.42%*	*0.91%*	
Non recurring costs	-	-	n/s
EBIT	**16,546**	**8,343**	**98%**
EBIT %	*1.42%*	*0.91%*	
IFRS 16 interest expenses on leases	791	848	-7%
Other financial (income) expenses	593	418	42%
Foreign exchange (gains) losses	1,074	1,211	-11%
Profit before income taxes	**14,088**	**5,866**	**>100%**
Income taxes	3,880	1,929	>100%
Net income	**10,208**	**3,937**	**>100%**

NOTE

(1) Cash discounts for 'non-recourse' advances of trade receivables as part of revolving factoring and securitization programs.

(2) Gross of amortization/depreciation that, by destination, would be included in the cost of sales.

CONSOLIDATED SEPARATE INCOME STATEMENT

(€/000)	Q1 2021	non - recurring	Q1 2020	non - recurring
Sales from contracts with customers	1,166,038	-	913,762	-
Cost of sales	(1,110,145)	-	(871,669)	-
Gross profit	**55,893**	**-**	**42,093**	**-**
Sales and marketing costs	(16,092)	-	(13,085)	-
Overheads and administrative costs	(23,235)	-	(20,233)	-
Impairment loss/reversal of financial assets	(20)	-	(432)	-
Operating income (EBIT)	**16,546**	**-**	**8,343**	**-**
Finance costs - net	(2,458)	-	(2,477)	-
Profit before income taxes	14,088	-	5,866	-
Income tax expenses	(3,880)	-	(1,929)	-
Net income	**10,208**	**-**	**3,937**	**-**
- of which attributable to non-controlling interests	(25)		(60)	
- of which attributable to Group	10,233	-	3,997	-
Earnings per share - basic (euro)	0.21		0.08	
Earnings per share - diluted (euro)	0.20		0.08	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)	Q1 2021	Q1 2020
Net income (A)	**10,208**	**3,937**
Other comprehensive income:		
- Changes in translation adjustment reserve	16	-
Other comprehensive income not be reclassified in the separate income statement:		
- Changes in 'TFR' equity reserve	177	283
- Taxes on changes in 'TFR' equity reserve	(42)	(79)
Other comprehensive income (B):	**151**	**204**
Total comprehensive income (C=A+B)	**10,359**	**4,141**
- of which attributable to Group	10,379	4,188
- of which attributable to non-controlling interests	(20)	(47)

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)	31/03/2021	31/12/2020
Fixed assets	252,266	236,965
Operating net working capital	235,062	(121,034)
Other current assets/liabilities	4,238	(9,887)
Other non-current assets/liabilities	(20,821)	(19,858)
Total uses	**470,745**	**86,186**
Short-term financial liabilities	95,759	56,049
Lease liabilities	9,567	8,867
Current financial (assets)/liabilities for derivatives	(15)	(27)
Financial receivables from factoring companies	(16,669)	(147)
Current debts for investments in subsidiaries	2,109	220
Other financial receivables	(9,898)	(9,617)
Cash and cash equivalents	(219,720)	(558,928)
Net current financial debt	(138,867)	(503,583)
Borrowings	100,657	107,069
Lease liabilities	108,088	93,999
Non-current debts for investments in subsidiaries	1,730	230
Other financial receivables	-	(492)
Net Financial debt	71,608	(302,777)
Net equity	399,137	388,963
Total sources of funds	**470,745**	**86,186**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)	31/03/2021	31/12/2020
ASSETS		
Non - current assets		
Property, plant and equipment	12,932	12,498
Right of use assets	114,247	99,928
Goodwill	108,555	108,442
Intangibles assets	819	722
Deferred income tax assets	13,236	12,950
Receivables and other non - current assets	2,477	2,917
	252,266	**237,457**
Current assets		
Inventory	512,077	402,755
Trade receivables	534,867	584,037
Income tax assets	284	410
Other assets	80,129	40,186
Derivative financial assets	15	27
Cash and cash equivalents	219,720	558,928
	1,347,092	1,586,343
Total assets	**1,599,358**	**1,823,800**
EQUITY		
Share capital	7,861	7,861
Reserves	379,415	347,602
Group net income	10,233	31,405
Group net equity	**397,509**	**386,868**
Non - controlling interest	**1,628**	**2,095**
Total equity	**399,137**	**388,963**
LIABILITIES		
Non - current liabilities		
Borrowings	100,657	107,069
Lease liabilities	108,088	93,999
Deferred income tax liabilities	11,920	11,309
Retirement benefit obligations	5,557	4,847
Debts for investments in subsidiaries	1,730	230
Provisions and other liabilities	3,344	3,702
	231,296	**221,156**
Current liabilities		
Trade payables	811,882	1,107,826
Short-term financial liabilities	95,759	56,049
Lease liabilities	9,567	8,867
Income tax liabilities	3,271	224
Debts for investments in subsidiaries	2,109	220
Provisions and other liabilities	46,337	40,495
	968,925	**1,213,681**
Total liabilities	**1,200,221**	**1,434,837**
Total equity and liabilities	**1,599,358**	**1,823,800**

CONSOLIDATED STATEMENT OF CASH FLOWS

(euro/000)	Q1 2021	Q1 2020
Cash flow provided by (used in) operating activities (D=A+B+C)	**(331,767)**	**(396,202)**
Cash flow generated from operations (A)	**19,761**	**12,561**
Operating income (EBIT)	16,546	8,343
Income from business combinations	(168)	-
Depreciation, amortisation and other fixed assets write-downs	3,752	3,585
Net changes in provisions for risks and charges	(439)	289
Net changes in retirement benefit obligations	(178)	35
Stock option/grant costs	248	309
Cash flow provided by (used in) changes in working capital (B)	**(350,162)**	**(406,993)**
Inventory	(92,701)	45,009
Trade receivables	74,181	62,040
Other current assets	(22,283)	(1,306)
Trade payables	(313,892)	(513,667)
Other current liabilities	4,533	931
Other cash flow provided by (used in) operating activities (C)	**(1,366)**	**(1,770)**
Interests paid	(622)	(666)
Received interests	20	27
Foreign exchange (losses)/gains	(698)	(1,131)
Income taxes paid	(66)	-
Cash flow provided by (used in) investing activities (E)	**(27,781)**	**(927)**
Net investments in property, plant and equipment	(18,149)	(659)
Net investments in intangible assets	(150)	(283)
Changes in other non current assets and liabilities	(16)	15
Dacom business combination	(8,981)	-
idMAINT business combination	(485)	-
Cash flow provided by (used in) financing activities (F)	**20,340**	**49,919**
Medium/long term borrowing	750	-
Repayment/renegotiation of medium/long-term borrowings	(6,031)	(4,301)
Leasing liabilities remboursement	14,516	(2,405)
Net change in financial liabilities	27,855	61,989
Net change in financial assets and derivative instruments	(16,303)	(3,708)
Dividend payments	(447)	-
Own shares acquisition	-	(1,656)
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**(339,208)**	**(347,210)**
Cash and cash equivalents at year-beginning	**558,928**	**463,777**
Net increase/(decrease) in cash and cash equivalents	**(339,208)**	**(347,210)**
Cash and cash equivalents at year-end	**219,720**	**116,567**