Press release in accordance with Consob Regulation no. 11971/99

ESPRINET CLOSES THE FIRST QUARTER OF 2022 ABOVE EXPECTATIONS DESPITE A MORE UNCERTAIN CONTEXT AND THE COMPARISON WITH AN EXTREMELY POSITIVE FIRST QUARTER OF 2021 THE 2022 GUIDANCE FORECASTS ADJ. EBITDA UP BY +8%

Q1 2022

Sales from contracts with customers: Euro 1,139.4 million, -2% (Q1 21: Euro 1,166.0 million)
Adj. EBITDA: Euro 19.7 million, -3% (Q1 21: Euro 20.3 million)
Net income: Euro 10.1 million, -1% (Q1 21: Euro 10.2 million)
Cash Conversion Cycle: 13 days (Q1 21: 5 days)
ROCE: 15.2% (Q1 21: 19.7%)
Net Financial Position: negative for Euro 89.2 million (Q1 21: negative for Euro 71.6 million)

GUIDANCE 2022

Adj. EBITDA: > Euro 93 million

Vimercate (Monza Brianza), 10 May 2022 – The Board of Directors of ESPRINET, group leader in Southern Europe in advisory services, sale and rental of technological products and cybersecurity, which met under the chairmanship of Maurizio Rota, approved the **Interim Management Report as at 31 March 2022**, drafted in compliance with the international accounting standards (IFRS).

Alessandro Cattani, Chief Executive Officer of ESPRINET: *"We closed the first quarter of 2022 with profitability above expectations, despite serious inconsistencies in the economic and geopolitical context both with respect to the first quarter of the previous year and the final quarter of 2021. This is proof of the effective decisions taken in relation to the strategy adopted by the Group. Although on the one hand, a decline has been observed in the consumption of households and private customers, especially on the Italian market, on the other, demand in the public sector and from businesses, driven by investments connected with local Recovery and Resilience Plans, is signaling significant growth rates. And so, due to the market trend, and consistently with the Group's strategy to focus more on high profit margin business lines, the Advanced Solutions segment recorded growth of 8% in sales, reaching Euro 223.3 million, and its incidence on total Group sales rose to 20%. The Cloud segment performed especially positively in this domain, whose sales posted an increase of 27% in the first three months of 2022. In the first quarter of 2022, we also recorded significant growth in the first product margin, essentially on all business lines despite the increase in transport costs included therein. In this framework, and as outlined in the 2022-2024 Strategic Plan, which makes provision, as part of the organic growth of the transactional model, for a close focus on the higher profit margin areas such as own branded consumer accessories, the Group recently submitted a non-binding letter of intent aimed at launching a voluntary public tender offer concerning all the ordinary shares of Cellularline, targeted at delisting. On the strength of the results obtained in the first quarter of 2022, we are looking to the current year with optimism, not forgetting the context of persistent economic uncertainty. Based on these premises, our guidance for 2022 forecasts growth in sales and an Adjusted EBITDA exceeding Euro 93 million, an increase of 8% compared to the 2021 results, excluding any contribution from Cellularline, in the event in which the transaction is finalized".*

MAIN CONSOLIDATED RESULTS AS AT 31 MARCH 2022

Sales from contracts with customers stood at Euro 1,139.4 million, a decrease of 2% compared to Euro 1,166.0 million in the same period of the previous year.

(€/million)	Q1 2022	Q1 2021	% Var.
Italy	690.4	732.6	-6%
Spain	415.9	405.5	3%
Portugal	23.0	17.0	35%
Other EU countries	6.4	6.8	-6%
Other non-EU countries	3.7	4.1	-10%
Sales from contracts with customers	**1,139.4**	**1,166.0**	**-2%**

ESPRINET recorded sales in **Italy** of Euro 690.4 million (-6%) in a market that, according to Context data, fell by 5%, in particular due to the negative performance of sales in the consumer area. In **Spain**, the Group recorded sales of Euro 415.9 million, +3% compared to the first three months of 2021, outperforming a market, which declined by 2%. **Portugal**, with sales of Euro 23.0 million and growth of 35%, consolidated its share in a market, which reported an increase of 11%.

(€/million)	Q1 2022	Q1 2021	% Var.
PCs (notebook, tablet, desktop, monitor)	401.0	458.0	-12%
Printing devices and supplies	91.6	110.9	-17%
Other products	86.7	86.7	0%
Total IT Clients	**579.3**	**655.6**	**-12%**
Smartphones	311.9	291.9	7%
White goods	22.7	12.9	76%
Gaming (hardware and software)	5.9	4.0	48%
Other products	63.8	33.9	88%
Total Consumer Electronics	**404.3**	**342.7**	**18%**
Hardware (networking, storage, server and other)	155.8	125.9	24%
Software, Services, Cloud	67.5	81.6	-17%
Total Advanced Solutions	**223.3**	**207.5**	**8%**
Reconciliation adjustments	(67.5)	(39.8)	70%
Sales from contracts with customers	**1,139.4**	**1,166.0**	**-2%**

An analysis of the details of the **product categories** shows that the *IT Clients* segment recorded a decrease of 12% for the Group, due to the performance of PCs (-12%) and Printers and Consumables (-17%). According to Context data, in the first quarter of 2022, the *IT Clients* segment reported a decrease of 11%, where PCs, due in particular to weak demand in the consumer area, recorded a decline of 16% and Printing posted a decrease of 5%, still suffering from product shortage problems. By contrast, ESPRINET recorded an increase of 18% in the *Consumer Electronics* segment, thanks to the contribution from Smartphones (+7%), Other Products (+88%), whose perimeter also includes Televisions, White Goods (+76%), and Gaming (+48%), outperforming the market. Indeed, according to Context data, in the distribution panel, in the first three months of 2022, the *Consumer Electronics* segment dropped by 1%, essentially due to the slowdown in Smartphones (-6%), not offset by the increases in: Other products (+9%), White Goods (+19%) and Gaming (+35%).
In the *Advanced Solutions* segment, the Group, in line with the market growth, again according to the data of the UK research company Context, registered an increase of 8% in sales, rising to Euro 223.3

million, compared to Euro 207.5 million in the January-March 2021 period. Note should also be taken of ESPRINET's performance in the XaaS ("Everything as a Service") area, whose sales stood at Euro 38.8 million in the first three months of 2022 (+27%).
In line with the Group's strategy of focusing on high profit margin business lines, the incidence of the *Advanced Solutions* sales rose to 20% (18% in the first quarter of 2021).

(€/million)	**Q1 2022**	**Q1 2021**	**% Var.**
Retailer, E-tailer (Consumer Segment)	482.6	481.1	0%
IT Reseller (Business Segment)	724.3	724.7	0%
Reconciliation adjustments	(67.5)	(39.8)	70%
Sales from contracts with customers	**1,139.4**	**1,166.0**	**-2%**

Lastly, a glance at the **customer segments** shows that, in the first three months of 2022, the market recorded growth of 2% in the *Business Segment* (IT Reseller) and a decrease of 9% in the *Consumer Segment* (Retailer, E-tailer). Group sales show an essentially flat performance compared to the same period of the previous year, both in the *Consumer Segment* (Euro 482.6 million, 0%) and in the *Business Segment* (Euro 724.3 million, 0%).

Gross profit totaled Euro 57.6 million, +3% compared to the first quarter of 2021 (Euro 56.1 million) due to the significant increase in the percentage margin (5.05% in the January-March 2022 period, compared to 4.81% in the same period of the previous year), in turn a result of the greater incidence of high profit margin product categories that, in line with the Group's strategy, accounted for 43% of sales, up from 39% in the first quarter of 2021. It should also be noted that profit margins improved in almost all business segments.

Adjusted EBITDA, which coincides with EBITDA given that no non-recurring costs were recorded, amounted to Euro 19.7 million, marking a decrease of 3% compared to Euro 20.3 million in the first three months of 2021.
The incidence on sales remains substantially stable at 1.73% compared to 1.74% in the same period of 2021, due to the increase in the weight of operating costs (from 3.07% in the first quarter of 2021 to 3.32% in the January-March 2022 period), mainly as a result of the trends connected with the personnel flows.

Adjusted EBIT, which coincides with EBIT, given that no non-recurring costs were recorded, amounted to Euro 15.6 million, marking a slight decrease compared to EBITDA, due in particular to the amortisation of the *Customer list* that emerged as part of the *Purchase Price Allocation* relating to the acquisition of the GTI Group. The incidence on sales decreased to 1.37% from 1.42% in Q1 2021.

Profit before income taxes amounted to Euro 13.8 million, -2% compared to Euro 14.1 million in Q1 2021.

Net income amounted to Euro 10.1 million, -1% compared to Euro 10.2 million in the first three months of 2021.

Earnings per ordinary share is equal to Euro 0.20, -5% on the value of the first quarter of 2021 (Euro 0.21).

CASH CONVERSION CYCLE AT 13 DAYS

The **Cash Conversion Cycle**[1] closed at 13 days (unchanged compared to Q4 21 and +5 days with respect to Q1 21). In particular, the following trends were recorded:

- Days sales of inventory (DSI): +4 days vs Q4 21 (+8 days vs Q1 21);
- Days sales outstanding (DSO): unchanged vs Q4 21 (+2 days vs Q1 21);
- Days payable outstanding (DPO): +4 days vs Q4 21 (+2 days vs Q1 21).

NEGATIVE NET FINANCIAL POSITION FOR EURO 89.2 MILLION (EURO 71.6 MILLION IN Q1 21)

The **Net Financial Position**, amounted to a negative Euro 89.2 million, compared with a negative Euro 71.6 million as at 31 March 2021. The value of the exact net financial position as at 31 March is influenced by technical factors like the seasonality of the business, the trend in "non-recourse" factoring of trade receivables (factoring, confirming and securitization) and the trend in the behavioral models of customers and suppliers in the different periods of the year. Therefore, it is not representative of the average levels of net financial indebtedness noted during the period. The aforementioned factoring and securitization programs, which define the complete transfer of risks and benefits to the assignees and therefore involve the derecognition of receivables from the statement of financial position assets in compliance with IFRS 9, determine an overall effect on the level of consolidated net financial payables as at 31 March of Euro 461.8 million (Euro 353.6 million as at 31 March 2021).

THE ROCE STANDS AT 15.2%

The **ROCE** stands at **15.2%**, compared to 19.7% in Q1 2021. The main changes related to this trend can be summarized as follows:

- the "**NOPAT - Net Operating Profit Less Adjusted Taxes**" grew compared to 2021;
- the **Average Net Invested Capital**, measured before the effects of the introduction of IFRS 16, increased (+38%) due primarily to the increase in the Average Net Working Capital.

(€/million)	Q1 2022	Q1 2021
LTM operating profit (Adj. EBIT)[2]	67.4	61.2
NOPAT[3]	48.9	45.9
Average Net Invested Capital[4]	321.2	233.4
ROCE[5]	15.2%	19.7%

GUIDANCE 2022

The ESPRINET Group continues to look to the current year with optimism, despite the economic, geopolitical and monetary uncertainties all over the world. The Group is ramping up the implementation of its strategic plan and remains confident that its strong competitive position and its solid financial position will enable it to seize all the opportunities that the market will offer over the next few months, albeit in a scenario of increased inflation and a potential decrease in the consumer confidence index.

[1] 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.

[2] Equal to the sum of EBITs – excluding the effects of IFRS 16 – in the last 4 quarters.

[3] 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.

[4] 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).

[5] Equal to the ratio between (a) NOPAT, as defined above, and (b) the average net invested capital as defined above.

On the business demand side, ESPRINET believes the medium-term scenario in the ICT market in southern Europe to be favorable, also thanks to the support deriving from the National Recovery and Resilience Plans. Investments in the public sector and by private companies in Italy and Spain are registering the most significant growth rates among European countries.
The Renting project has now also been launched in Spain and improvements to the product/service offered to customers are continuing, with a pipeline of open negotiations exceeding 1 million euro and in continuous growth with also contracts already finalized for a few hundred thousand of Euro.
The Group incorporated in its estimates for 2022 a risk of reduced product availability for the first and second quarters, with gradual improvements expected from the third quarter onwards and continues to monitor the situation together with key suppliers.
ESPRINET continues to commit solid efforts to controlling costs, also to offset any inflationary impacts currently measured primarily on transport spending, nonetheless fully absorbed by the overall performance of the first product margin.
The Group also remains vigilant in dealing with economic and geopolitical instability, albeit ESPRINET has not been directly impacted by the fallout of the Russia-Ukraine conflict, nor does it make significant amounts of purchases from suppliers based in the area concerned.
Based on these premises and in line with the 2022-2024 Strategic Plan, the ESPRINET Group's priority for this year remains optimizing profitability, translated into a guidance for 2022 with Adjusted EBITDA exceeding Euro 93 million euro and growing sales, excluding any effects stemming from the consolidation of Cellularline in the event of a successful transaction.

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 is an enabler of the tech ecosystem that promotes tech democracy, with a profound calling to social and environmental sustainability. Thanks to a complete offer of advisory, cybersecurity, services and products to buy or rent through an extensive network of professional reseller, Esprinet is the leading Group in Southern Europe (Italy, Spain and Portugal), the fourth in Europe and in the top 10 at global level.
With more than 1,700 employees and 4.7 billion euro in turnover in 2021, Esprinet (PRT:IM – ISIN IT0003850929) is listed on the Italian Stock Exchange.

The press release is available at www.esprinet.com and www.emarketstorage.com.

For more information:

INVESTOR RELATIONS

ESPRINET S.p.A.
Tel. +39 02 404961
Giulia Perfetti
giulia.perfetti@esprinet.com

CORPORATE COMMUNICATION

ESPRINET S.p.A.
Tel. +39 02 404961
Paola Bramati
paola.bramati@esprinet.com

CORPORATE COMMUNICATION CONSULTANTS

BARABINO & PARTNERS
Tel: +39 02 72023535

Federico Vercellino
E-mail: f.vercellino@barabino.it
Mob: +39 331 5745171

Linda Battini
E-mail: l.battini@barabino.it
Mob: +39 347 4314536

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€/000)	Q1 2022	Q1 2021	% Var.
Sales from contracts with customers	**1,139,435**	**1,166,038**	**-2%**
Cost of goods sold excl. factoring/securitisation	1,080,934	1,108,970	-3%
Financial cost of factoring/securisation[1]	909	934	-3%
Gross Profit[2]	**57,592**	**56,134**	**3%**
Gross Profit %	*5.05%*	*4.81%*	
Personnel costs	22,322	20,862	7%
Other operating costs	15,536	14,974	4%
EBITDA adjusted[3]	**19,734**	**20,298**	**-3%**
EBITDA adjusted %	*1.73%*	*1.74%*	
Depreciation and amortisation	1,364	1,136	20%
IFRS 16 Right of Use depreciation	2,753	2,616	5%
Goodwill impairment	-	-	n/s
EBIT adjusted[3]	**15,617**	**16,546**	**-6%**
EBIT adjusted %	*1.37%*	*1.42%*	
Non recurring costs	-	-	n/s
EBIT	**15,617**	**16,546**	**-6%**
EBIT %	*1.37%*	*1.42%*	
IFRS 16 interest expenses on leases	802	791	1%
Other financial (income) expenses	639	593	8%
Foreign exchange (gains) losses	397	1,074	-63%
Profit before income taxes	**13,779**	**14,088**	**-2%**
Income taxes	3,705	3,880	-5%
Net income	**10,074**	**10,208**	**-1%**
- of which attributable to non-controlling interests	-	(25)	-100%
- of which attributable to the Group	**10,074**	**10,233**	**-2%**

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.

(3) Adjusted as gross of non-recurring items.

CONSOLIDATED INCOME STATEMENT

(€/000)	Q1 2022	non - recurring	Q1 2021	non - recurring
Sales from contracts with customers	1,139,435	-	1,166,038	-
Cost of sales	(1,082,138)	-	(1,110,145)	-
Gross profit	**57,297**	-	**55,893**	-
Sales and marketing costs	(17,780)	-	(16,092)	-
Overheads and administrative costs	(24,113)	-	(23,235)	-
Impairment loss/reversal of financial assets	213	-	(20)	-
Operating income (EBIT)	**15,617**	-	**16,546**	-
Finance costs - net	(1,838)	-	(2,458)	-
Profit before income taxes	13,779	-	14,088	-
Income tax expenses	(3,705)	-	(3,880)	-
Net income	**10,074**	-	**10,208**	-
- of which attributable to non-controlling interests	-		(25)	
- of which attributable to Group	10,074	-	10,233	-
Earnings per share - basic (euro)	0.20		0.21	
Earnings per share - diluted (euro)	0.20		0.20	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)	Q1 2022	Q1 2021
Net income (A)	**10,074**	**10,208**
Other comprehensive income:		
- Changes in translation adjustment reserve	(12)	16
Other comprehensive income not be reclassified in the separate income statement:		
- Changes in 'TFR' equity reserve	8	177
- Taxes on changes in 'TFR' equity reserve	(2)	(42)
Other comprehensive income (B):	**(6)**	**151**
Total comprehensive income (C=A+B)	**10,068**	**10,359**
- of which attributable to Group	10,068	10,379
- of which attributable to non-controlling interests	-	(20)

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)	31/03/2022	31/12/2021
Fixed assets	245,706	245,222
Operating net working capital	257,748	(75,832)
Other current assets/liabilities	5,677	12,104
Other non-current assets/liabilities	(23,185)	(22,553)
Total uses	**485,946**	**158,941**
Short-term financial liabilities	79,279	55,195
Lease liabilities	9,875	9,829
Current financial (assets)/liabilities for derivatives	-	2
Financial receivables from factoring companies	(3,044)	(3,128)
Current debts for investments in subsidiaries	1,015	1,854
Other financial receivables	(10,425)	(9,857)
Cash and cash equivalents	(188,778)	(491,471)
Net current financial debt	(112,078)	(437,576)
Borrowings	99,896	106,531
Lease liabilities	100,705	102,253
Non-current debts for investments in subsidiaries	715	1,615
Net Financial debt	89,238	(227,177)
Net equity	396,708	386,118
Total sources of funds	**485,946**	**158,941**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)	31/03/2022	31/12/2021
ASSETS		
Non - current assets		
Property, plant and equipment	16,044	13,856
Right of use assets	105,783	107,504
Goodwill	102,200	102,200
Intangibles assets	8,424	8,527
Deferred income tax assets	10,797	10,713
Receivables and other non - current assets	2,458	2,422
	245,706	**245,222**
Current assets		
Inventory	718,913	529,502
Trade receivables	521,183	585,522
Income tax assets	50	310
Other assets	70,162	70,330
Cash and cash equivalents	188,778	491,471
	1,499,086	1,677,135
Total assets	**1,744,792**	**1,922,357**
EQUITY		
Share capital	7,861	7,861
Reserves	378,773	334,074
Group net income	10,074	44,183
Group net equity	**396,708**	**386,118**
Non - controlling interest	-	-
Total equity	**396,708**	**386,118**
LIABILITIES		
Non - current liabilities		
Borrowings	99,896	106,531
Lease liabilities	100,705	102,253
Deferred income tax liabilities	15,403	14,784
Retirement benefit obligations	5,202	5,232
Debts for investments in subsidiaries	715	1,615
Provisions and other liabilities	2,580	2,537
	224,501	**232,952**
Current liabilities		
Trade payables	982,348	1,190,856
Short-term financial liabilities	79,279	55,195
Lease liabilities	9,875	9,829
Income tax liabilities	7,344	4,287
Derivative financial liabilities	-	2
Debts for investments in subsidiaries	1,015	1,854
Provisions and other liabilities	43,722	41,264
	1,123,583	**1,303,287**
Total liabilities	**1,348,084**	**1,536,239**
Total equity and liabilities	**1,744,792**	**1,922,357**

CONSOLIDATED STATEMENT OF CASH FLOWS

(euro/000)	Q1 2022	Q1 2021
Cash flow provided by (used in) operating activities (D=A+B+C)	**(311,084)**	**(331,767)**
Cash flow generated from operations (A)	**20,256**	**19,761**
Operating income (EBIT)	15,617	16,546
Income from business combinations	-	(168)
Depreciation, amortisation and other fixed assets write-downs	4,116	3,752
Net changes in provisions for risks and charges	43	(439)
Net changes in retirement benefit obligations	(49)	(178)
Stock option/grant costs	529	248
Cash flow provided by (used in) changes in working capital (B)	**(330,227)**	**(350,162)**
Inventory	(189,411)	(92,701)
Trade receivables	64,339	74,181
Other current assets	912	(22,283)
Trade payables	(208,633)	(313,892)
Other current liabilities	2,566	4,533
Other cash flow provided by (used in) operating activities (C)	**(1,113)**	**(1,366)**
Interests paid	(623)	(622)
Received interests	10	20
Foreign exchange (losses)/gains	(272)	(698)
Income taxes paid	(228)	(66)
Cash flow provided by (used in) investing activities (E)	**(3,484)**	**(27,781)**
Net investments in property, plant and equipment	(3,286)	(18,149)
Net investments in intangible assets	(162)	(150)
Net investments in other non current assets	(36)	(16)
Subsidiaries business combination	-	(9,466)
Cash flow provided by (used in) financing activities (F)	**11,875**	**20,340**
Medium/long term borrowing	-	750
Repayment/renegotiation of medium/long-term borrowings	(7,541)	(6,031)
Leasing liabilities rembousement	(2,799)	14,516
Net change in financial liabilities	24,440	27,855
Net change in financial assets and derivative instruments	(486)	(16,303)
Deferred price acquisitions	(1,739)	-
Dividend payments	-	(447)
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	**(302,693)**	**(339,208)**
Cash and cash equivalents at year-beginning	**491,471**	**558,928**
Net increase/(decrease) in cash and cash equivalents	**(302,693)**	**(339,208)**
Cash and cash equivalents at year-end	**188,778**	**219,720**