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FY 2023 Results Presentation

March 13, 2024

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FY 2023 RESULTS

A Year of Transition

2023 SCENARIO

- **A challenging year** for the *Screens* market and in general **for consumer demand**
- We came from a 2022 with record profitability but with **excess of inventory** so we gave priority to the balance sheet improvement over profitability
- We closed an old **tax dispute** effectively eliminating a very high-risk

GOALS WE HAD

- Growing in the higher-margin product and customer segments delivering sustained **gross profit margin increase**
- **Exiting structurally low ROCE product/customer combinations**
- Bringing **working capital back to physiological levels**

WHAT WE DID

- **We reduced inventory levels** while improving gross profit margins
- **We strengthened the high-margin segments** also by means of acquisitions
- **We begun cutting and rationalizing costs**
- **We reorganized the Group** so as to have entities focused on their respective reference markets

WHAT WE DEMOSTRATED

- The inventory levels can be reduced without major devaluations, proving that **the stock protection mechanisms in place work**
- We reduced revenues by Euro ~700 million while reducing EBITDA by Euro ~27 million, demonstrating the **strong resilience of profitability guaranteed by a low fixed cost model**

WHAT WE HAVE TO DO

- **Recover volumes on segments with lower margins but which can still guarantee adequate ROCE by means of good** working capital management
- Continue to **grow in high-margin lines of *Solutions & Services***
- Further **optimize working capital**
- Continue to look for **growth opportunities also through acquisitions**

2023 Sales Evolution

THE ICT SECTOR RECORDED A SEQUENTIAL WORSENING OF THE DECLINE IN VOLUMES THAT BEGAN AT THE END OF 2022 IN THE THREE GEOGRAPHIES IN WHICH THE GROUP OPERATES AND IN EUROPE IN GENERAL.

Sales

Full year sales at 3,985.2 M€ (-15% compared to 2022)
Q4 2023 sales at 1,240.2 M€ (-15% compared to Q4 2022)

By Country[1]	Esprinet		Market[2]
Italy	2,468 M€	-10%	-4%
Spain	1,368 M€	-22%	-2%
Portugal	107 M€	-15%	-5%

By Product Category	Esprinet		Market
Screens	2,128 M€	-22%	-7%
Solutions & Services	920 M€	+2%	+7%
Devices[3]	937 M€	-12%	-11%

By Customer Type	Esprinet		Market
Retailers & E-tailers	1,343 M€	-27%	-12%
IT Resellers	2,832 M€	-7%	+2%
IFRS15 and other adjustments	*190 M€*		

(1) *Other Countries: 43M€ (-24%) in FY 2023*
(2) *For all market data, source: Context*
(3) *Including Own Brands*

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2023 Profitability Evolution

THE GROUP HAS BEEN ABLE TO IMPROVE THE GROSS PROFIT MARGIN THANKS TO THE ABILITY TO CATCH DEMAND IN HIGH-MARGIN SEGMENTS

Gross Profit

Full year Gross Profit at **220.9 M€** (-10% compared to 2022), **5.54% on sales**, compared to 5.22% of 2022.
Q4 Gross Profit at **66.7 M€** (-13% compared to Q4 2022), **5.38% on sales**, compared to 5.21% of Q4 2022.

EBITDA Adj.

Full year EBITDA Adj. at **64.1 M€** (-29% compared to 2022); **1.61% on sales** (1.94% on sales in 2022).
Q4 2022 EBITDA Adj. at **27.5 M€** (-24% compared to Q4 2022); **2.22% on sales** (2.48% on sales in Q4 2022).

Cash Conversion Cycle

Closes at **28 days**, +2 days compared to Q4 2022 and -2 days compared to Q3 2023.

Net Financial Position

Positive for Euro 15.5 million, a strong improvement over 30 September 2023 (negative by Euro 260.6 million) and over 31 December 2022 results (negative by Euro 83.0 million).

ROCE

Closes at **6.9%**, compared to 13.3% in Q4 2022.
Essentially due to the increasing Average Net Invested Capital, in turn mainly due to the increase in Average Net Working Capital.

P&L FY & Q4 2023 of the *Five Pillars*

SOLUTIONS & SERVICES MANAGED BY THE V-VALLEY DIVISION REPRESENT NOW ~23% OF TOTAL SALES AND EXCEED PCS, PERIPHERALS AND CONSUMER ELECTRONICS IN PROFITABILITY.

	Revenues				EBITDA Adj.				EBITDA Margin Adj.		
	2023	2022	Delta	Δ %	2023	2022	Delta	Δ %	2023	2022	Delta
Screens	2,128.2	2,722.2	-594.1	-22%	19.2	30.9	-11.7	-38%	0.90%	1.14%	-0.23%
Devices	896.1	1,003.5	-107.4	-11%	13.9	22.9	-9.0	-39%	1.55%	2.28%	-0.73%
Own Brands	40.7	58.4	-17.7	-30%	-3.8	-1.4	-2.4	>100%	-9.34%	-2.40%	-6.94%
Esprinet total	*3,065.0*	*3,784.1*	*-719.2*	*-19%*	*29.3*	*52.4*	*-23.1*	*-44%*	*0.96%*	*1.38%*	*-0.43%*
Solutions	907.0	882.8	24.2	3%	29.6	31.9	-2.3	-7%	3.26%	3.61%	-0.35%
Services	13.2	17.3	-4.1	-24%	5.3	6.4	-1.2	-18%	39.39%	36.99%	2.40%
V-Valley total	*920.2*	*900.1*	*20.1*	*2%*	*34.8*	*38.3*	*-3.5*	*-9%*	*3.78%*	*4.26%*	*-0.47%*
Total	**3,985.2**	**4,684.2**	**-699.0**	**-15%**	**64.1**	**90.7**	**-26.6**	**-29%**	**1.61%**	**1.94%**	**-0.33%**

	Revenues				EBITDA Adj.				EBITDA Margin Adj.		
	Q4 2023	Q4 2022	Delta	Δ %	Q4 2023	Q4 2022	Delta	Δ %	Q4 2023	Q4 2022	Delta
Screens	648.1	826.6	-178.6	-22%	10.1	14.0	-3.9	-28%	1.56%	1.69%	-0.14%
Devices	278.9	310.5	-31.6	-10%	6.1	6.5	-0.4	-7%	2.19%	2.09%	0.09%
Own Brands	11.1	16.2	-5.1	-32%	-0.8	-0.1	-0.7	>100%	-7.24%	-0.62%	-6.62%
Esprinet total	*938.0*	*1,153.3*	*-215.3*	*-19%*	*15.4*	*20.4*	*-5.0*	*-25%*	*1.64%*	*1.77%*	*-0.13%*
Solutions	296.6	306.3	-9.7	-3%	10.9	14.2	-3.3	-24%	3.67%	4.64%	-0.96%
Services	5.6	6.9	-1.3	-19%	1.2	1.7	-0.5	-26%	21.43%	24.64%	-3.21%
V-Valley total	*302.2*	*313.2*	*-11.0*	*-4%*	*12.1*	*15.9*	*-3.8*	*-24%*	*4.00%*	*5.08%*	*-1.07%*
Total	**1.240.2**	**1,466.5**	**-226.3**	**-15%**	**27.5**	**36.3**	**-8.8**	**-24%**	**2.22%**	**2.48%**	**-0.26%**

1) All values in € / millions.
2) The costs attributed to each pillar are the direct sales & marketing costs, some categories of general and administrative expenses directly attributable to each business line (i.e. credit insurance costs, warehousing cost) and, for the remaining G&A costs, a distribution proportional to the weight of the business line on the total revenues has been applied.
Results not subject to audit.

A deep dive on the V-Valley *Solutions division*

2016 | 2023

V-Valley
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	2016	2017	2018	2019	2020	2021	2022	2023
	409.0 mln	495.6 mln	555.5 mln	561.0 mln	598.0 mln	873.9 mln	1050.0 mln	1091.3 mln
Server, Storage & Networking	220.5	215.8	287.7	279.3	257.8	288.1	346.6	320.9
Software	83.7	106.9	104.0	113.8	127.9	141.0	131.9	119.1
Cybersecurity	32.3	53.7	63.3	61.0	77.4	113.8	147.9	178.0
Cloud	6.7	7.7	13.9	19.6	49.8	140.9	179.8	226.3
Professional Services	18.5	28.7	28.9	31.5	34.8	34.0	37.2	35.9
Industrial Solutions	47.3	82.8	57.7	55.7	49.7	156.1	211.1	211.2

(*) Euro 920.2 million after the application of IFRS 15 in 2023

Q4 & FY 2023 P&L Evolution

Higher gross profit margins as well as SG&A control soften the effects of the topline reduction

(M/€)	2023	2022	Var. %	Q4 2023	Q4 2022	Var. %
Sales from contracts with customers	3,985.2	4,684.2	-15%	1,240.2	1,466.5	-15%
Gross Profit	220.8	244.3	-10%	66.7	76.4	-13%
Gross Profit %	*5.54%*	*5.22%*		*5.38%*	*5.21%*	
SG&A	156.7	153.6	2%	39.2	40.1	-2%
SG&A %	*3.93%*	*3.28%*		*3.16%*	*2.73%*	
EBITDA adj.	**64.1**	**90.7**	**-29%**	**27.5**	**36.3**	**-24%**
EBITDA adj. %	*1.61%*	*1.94%*		*2.22%*	*2.48%*	
EBIT adj.	**44.1**	**73.4**	**-40%**	**21.9**	**31.9**	**-31%**
EBIT adj. %	*1.11%*	*1.57%*		*1.77%*	*2.17%*	
IFRS 16 interest expenses on leases	3.4	3.3	4%	0.8	0.8	3%
Other financial (income) expenses adj.	9.6	3.4	>100%	2.1	1.3	>100%
Foreign exchange (gains) losses	- 0.8	1.1	<100%	- 1.1	- 1.6	-33%
Profit before income taxes adj.	**31.9**	**65.6**	**-51%**	**20.0**	**31.3**	**-36%**
Profit before income taxes adj. %	*0.80%*	*1.40%*		*1.61%*	*2.14%*	
Income taxes	7.7	16.3		3.3	7.4	
Net Income adj.	**24.2**	**49.3**	**-51%**	**16.7**	**23.9**	**-30%**
Net Income adj. %	*0.61%*	*1.05%*		*1.35%*	*1.63%*	
Non-recurring costs	**36.1**	**2.0**	**>100%**	**3.7**	**- 0.1**	**<100%**
Net Income as reported	**-11.9**	**47.3**	**<100%**	**13.0**	**24.0**	**-46%**
Net Income as reported %	*-0.30%*	*1.01%*		*1.05%*	*1.64%*	

- The Group further improved its gross profit margin performance which stood at 5.54%, a progressive increase compared to 5.22% in the same period last year, despite the impact (25 bps) of the financial costs of programs for the assignment of receivables without recourse following the increase in interest rates ordered by the European Central Bank.
- **SG&A**: **operating costs grew by only 2%** mainly as a result of the acquisitions signed in August 2023 of Sifar Group S.r.l. in Italy and Lidera Network S.L. in Spain. Their weight on sales grew to 3.93% (from 3.28% in 2022).
- **Increased net financial expenses** mainly related to the increase in interest rates.
- **Tax rate** essentially unchanged.
- **Non-recurring costs** of Euro 36.1 million mainly incurred by Esprinet S.p.A. in relation to the final agreement reached with the Italian Tax Authorities aimed at settling the VAT claims in relation to tax periods from 2013 to 2017, of which Euro 26.4 million in taxes and penalties and Euro 6.9 million in interests.

FY 2023 BS Summary

Despite the unexpected contraction in sales in December the Group significantly reduced the level of inventory

(M/€)	31/12/2023	31/12/2022	30/09/2023
Fixed Assets	169.3	151.6	167.5
Operating Net Working Capital	104.1	261.6	381.0
Other current asset (liabilities)	22.3	(3.2)	13.2
Other non-current asset (liabilities)	(48.4)	(24.6)	(51.8)
Net Invested Capital *[pre IFRS16]*	**247.3**	**385.4**	**509.9**
RoU Assets *[IFRS16]*	104.6	106.9	106.7
Net Invested Capital	**351.9**	**492.3**	**616.6**
Cash	(260.9)	(172.2)	(114.4)
Short-term debt	32.1	37.1	155.4
Medium/long-term debt[1]	112.2	119.2	116.0
Financial assets	(10.0)	(13.5)	(9.3)
Net financial debt *[pre IFRS16]*	**(126.6)**	**(29.4)**	**147.7**
Net Equity *[pre IFRS16]*	**373.9**	**414.7**	**362.2**
Funding sources *[pre IFRS16]*	**247.3**	**385.4**	**509.9**
Lease liabilities *[IFRS16]*	111.1	112.4	112.9
Net financial debt	**(15.5)**	**83.0**	**260.6**
Net Equity	**367.4**	**409.2**	**356.0**
Funding sources	**351.9**	**492.3**	**616.6**

[1] Including the amount due within 1 year

[2] Net financial debt pre IFRS 16

- Net Invested Capital as of December 31, 2023 stands at 351.9 M€ and is covered by:
  - Shareholders' equity, including non-controlling interests for 367.4 M€ (409.2 M€ as of December 31, 2022);
  - Cash positive for 15.5 M€ (negative for 83.0 M€ as of December 31, 2022).
- Operating Net Working Capital impact:

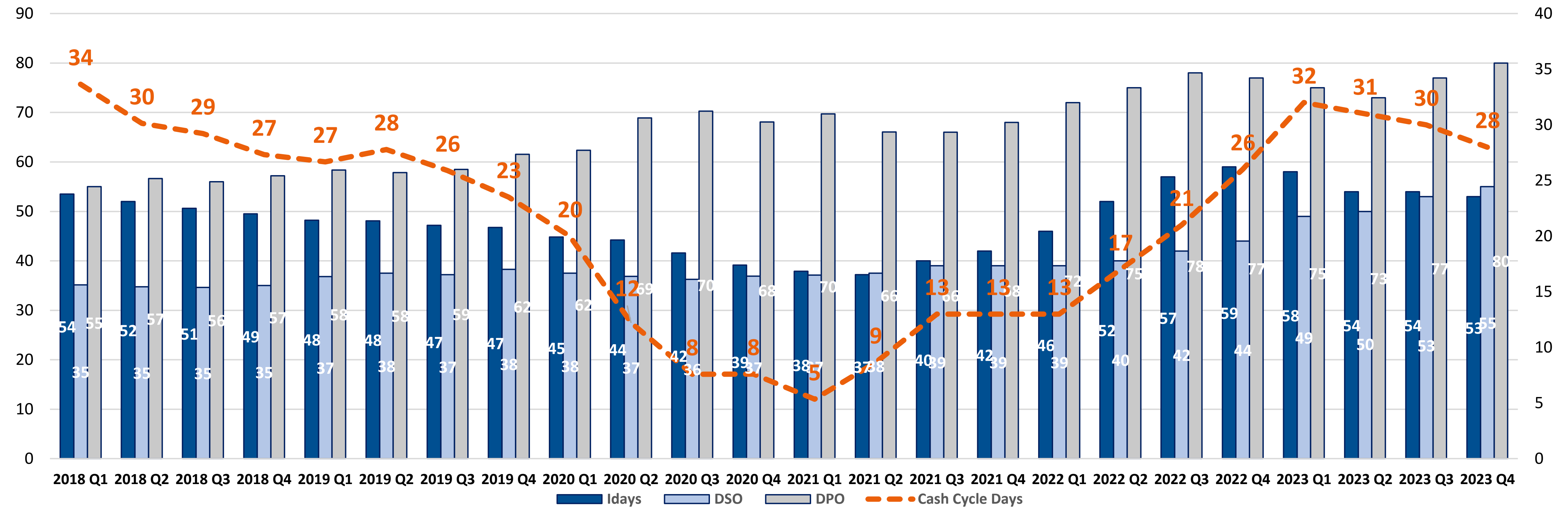
(M/€)	31/12/2023	30/09/2023	30/06/2023	31/03/2023	31/12/2022
Inventory	514.8	614.2	533.7	597.9	672.7
Trade receivables	698.6	548.5	476.4	677.3	701.1
Trade payables	1,109.3	781.7	675.9	770.6	1,112.2
Operating Net Working Capital	**104.1**	**381.0**	**334.3**	**504.5**	**261.6**

Despite the contraction in sales in December due mainly to the lack of re-stocking of retailers, the Group significantly reduced the level of inventory: - 157.9 million Euros of stock compared to Q4 2022 and - 99.4 million Euros of stock compared to Q3 2023.

At the same time, the Group worked and obtained payment extensions from suppliers (+ 13 days compared to Q4 2022).

The Group worked on having the right balance between DSOs - increasing due to the shift of business towards IT Resellers, who generally have longer payment terms due to the nature of their business and for which factoring is generally not available - and factoring programs for Retailers due to the increasing cost, which is accounted for in the gross profit (393.1 million Euros at 31 December 2023, compared to 540.2 million Euros at 31 December 2022).

Working Capital Metrics 4-qtr average



Working capital improvement (-2 day) compared to the previous quarter due to:

- decrease inventory days (-1 days);
- increase in DSO (+2 days);
- increase in DPO (+3 days).

Idays (Inventory Days): 4-qtr average of (quarter-end Inventory / quarterly Sales * 90)
DSO (Days of Sales Outstanding): 4-qtr average of (quarter-end Trade Receivables / quarterly Sales * 90)
DPO (Days of Purchases Outstanding): 4-qtr average of (quarter-end Trade Payables / quarterly Cost of Sales * 90)

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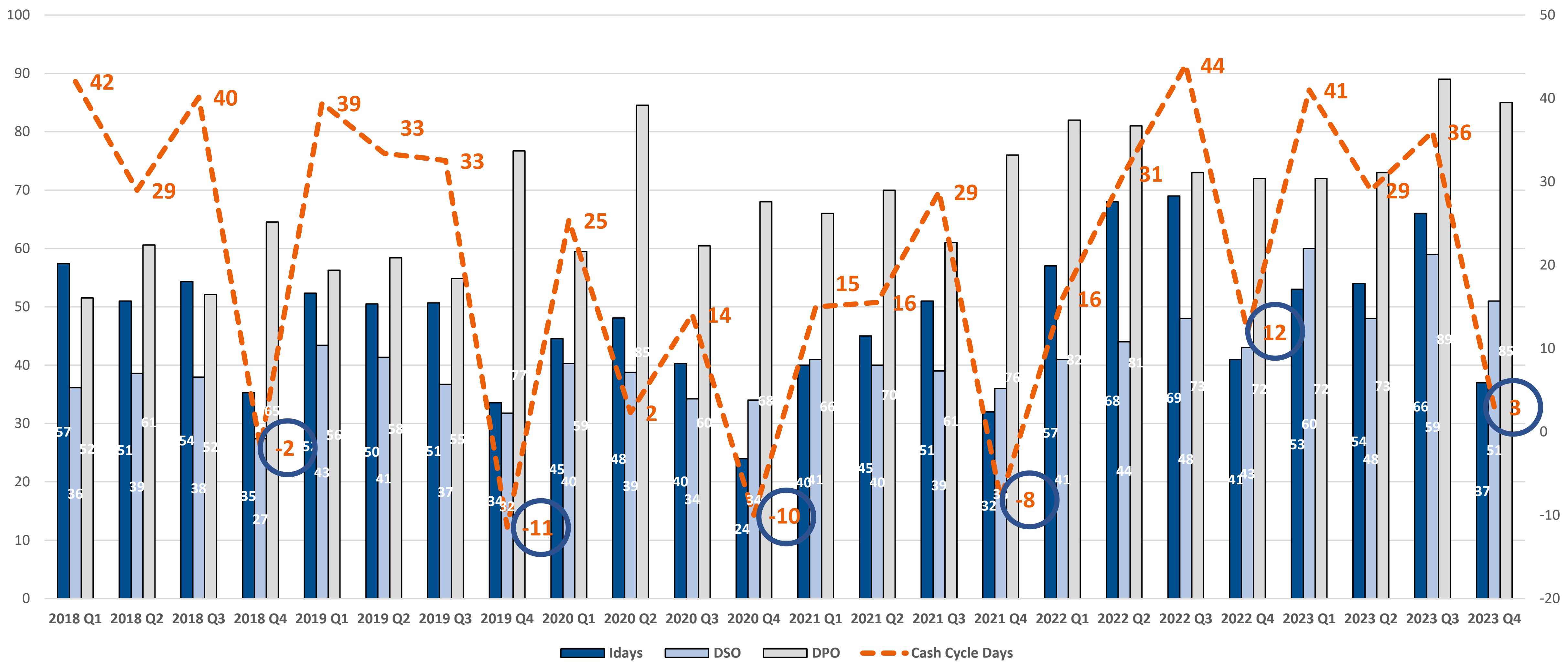
Working Capital Metrics quarter-end



Idays (Inventory Days): quarter-end Inventory / quarterly Sales * 90
DSO (Days of Sales Outstanding): quarter-end Trade Receivables / quarterly Sales * 90
DPO (Days of Purchases Outstanding): quarter-end Trade Payables / quarterly Cost of Sales * 90

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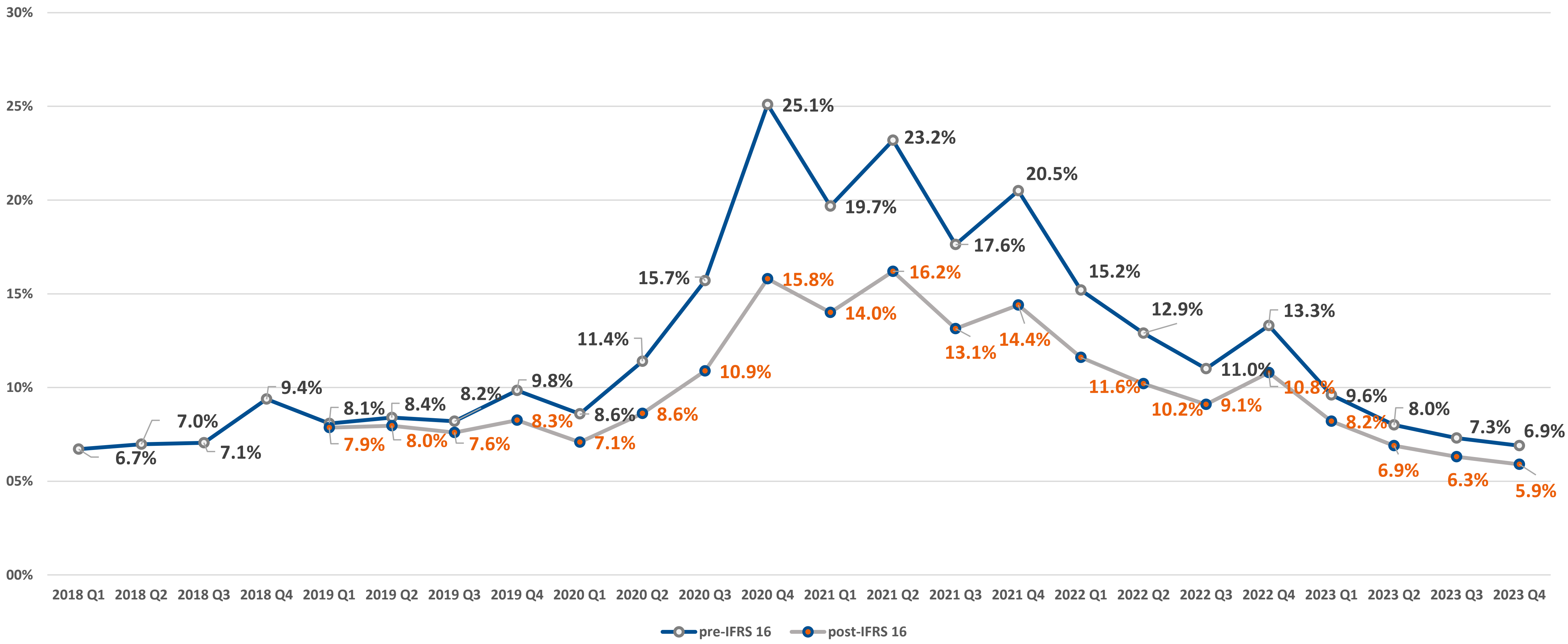
ROCE Evolution Up To Q4 2023



Average Capital Employed last 5 quarters: equal to the average of “Loans” at the closing date of the period and at the four previous quarterly closing dates
NOPAT Adj last 4 quarters: equal to the sum of the EBIT of the last four quarters less adjusted taxes.
ROCE: NOPAT Adj last 4 quarters / Average Capital Employed last 5 quarters

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Group Sustainability Achievements

FOR YEARS WE HAVE EMBARKED ON A SUSTAINABILITY PATH DETERMINED TO PROGRESSIVELY JOIN BUSINESS AS WELL AS ENVIRONMENTAL AND SOCIAL RESPONSIBILITY DECISIONS

We have achieved important ESG objectives, which however we consider as an intermediate step, aware that there will not be a final goal but a path of continuous improvement.

To reduce our footprint on the environment

- We completed the investment of the new photovoltaic system on the Italian logistics site of Cambiago
- Aware of the impact of urban mobility in our territory, we strengthened the adoption of electric or plug-in company cars.
- Furthermore, we launched the first European tech green distributor, with the mission of serving and developing the double transition market, digital and green, where technology acts as an enabler of both.
- Strengthened by consolidated relationships with customers and suppliers, with our main vendors, we begun a process of promotion on the topic of environmental responsibility, risks but also opportunities, to seek areas of collaboration that contribute to the transition towards models of circular economy.

To improve the quality of the most important resource we have: Esprinet's human capital

- We continued to listen to the voice of all our people through surveys and open discussion in a constant and transparent dialogue.
- We strengthened the welfare and wellbeing plan to increase people's motivation and satisfaction.
- We enriched the training offer to grow everyone's skills and support the development of their potential.
- We launched an ambitious program to promote a culture of diversity, equity and inclusion.
- Our commitment has once again been recognized by the renewed Great Place to Work and Top Employer certifications in the countries in which we operate, as well as the EDGE certification.

To create a dialogue and exchange with local communities

- We supported and collaborated with various charitable organizations
- Above all, 2023 was the year in which we celebrated together with the guys from the For-te project the milestone of 10,000 deliveries made by people with intellectual disabilities.

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2024 LOOKING FORWARD

Market Trends

IN THE COMING YEARS, THE DIGITAL TRANSFORMATION TREND WILL CONTINUE TO DRIVE A STRONG INCREASE IN SPENDING ON TECHNOLOGY AND THE DISTRIBUTION CHANNEL WILL REMAIN STRONG IN THE CHOICE OF SUPPLIERS' GO-TO-MARKET STRATEGY.

Tech Forecast

- Macroeconomic headwinds are still relevant but still we factor good chances of inflation to fall gradually thus opening up the path to interest rates reductions
- **sector analysts believe that the ICT market is now ready to return to growth**, most likely with greater strength in the second half of the year and at low single digit rates, but still back to exceeding GDP growth.
- **Growth in the Infrastructure Hardware segment**, essential in the digital transformation path and reinforced by the massive multi-year government investment for Recovery and Resilience Plans, **is likely to continue with lower rates** than in the recent past. **Software demand will likely be stronger.**
- **Product innovation, linked above all to Artificial Intelligence**, will be another important driver: not only for the investments in data centers and software, but during the year clients (PCs & smartphones) equipped with artificial intelligence will also be introduced in the market, intended to provide a further boost during the current update cycle.
- There are other **emerging areas characterized by a strong rate of innovation** and a notable push towards outsourcing:
  - *cybersecurity* which continues to maintain a crucial role in relation to the challenges and threats related to context that are multiplying;
  - *everything as a service* which will intensify and integrate more and more new features at lower costs;
  - *sustainability*, both in the adoption of software that will allow companies to optimize the increasingly complex ESG management and improve performance, and in the adoption of technologies that will contribute to reducing the impact on the environment.
- **The ICT sector is also conquering adjacencies**: energy efficiency and renewable energy, electric mobility are an example.

2024 Group Strategic Priorities

1

GEOGRAPHICAL AND PRODUCT DIVERSIFICATION

To mitigate risks in a volatile, unpredictable and complex scenario and as a tech enabler to seize the opportunities coming from emerging areas with a strong rate of innovation linked above all to AI and the opportunities deriving from the convergence of some sectors towards the tech one

2

PURSUIT OF EXCELLENCE IN OPERATIONS

To be the point of reference among the communities of producers, retailers and technology users and always offer a service aligned with expectations: more differentiation means more margins

3

FOCUS ON ROCE

Profitability improvement and capital employed optimization with the aim of:

- Returning to a generous dividend policy(*)
- Organic growth
- M&A

(*) BoD, despite a positive net income adj., prudently decided to propose to AGM not to distribute a dividend for 2023.

4

SOLID CAPITAL STRUCTURE

Together with a consolidated network of relationships with customers, suppliers, financial institutions, sector and non-sector organizations, a consolidated set of procedures and methodologies: we are equipped to manage external shocks that the recent past show being more and more frequent.

5

ATTENTION TO ESG ISSUES

Sustainability remains key as we continue to integrate social and environmental elements into our business model

THE GROUP WILL PRESENT THE 2024 PROFITABILITY GUIDANCE NEXT MAY IN THE OCCASION OF THE FIRST QUARTER RESULTS PRESENTATION.

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Q&A

Upcoming Events

EVENT	DATE
Euronext Milan STAR Conference, organized by Borsa Italiana	**March 19, 2024**
Shareholders' Meeting Approval of the Financial Statements 2023 and presentation of the Consolidated Financial Statements 2023	**April 24, 2024**
Board of Directors Approval of the Additional Financial Information as at March 31, 2024	**May 13, 2024**
Italian Investment Conference 2024, organized by Unicredit & Kepler Cheuvreux	**May 21, 2024**
TP ICAP Midcap Conference, organized by TP ICAP Midcap	**May 23, 2024**
Mid & Small Virtual Italy Event, organized by Virgilio IR	**July 2, 2024**
Board of Directors Approval of the Half-Year Financial Report as at June 30, 2024	**September 11, 2024**

Thank you

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