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9M 2023 Results Presentation

November 14, 2023

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HIGHLIGTHS

Forces driving the sector

KEY CURRENT TOPICS IN A FRAMEWORK OF STRONG GEOPOLITICAL AND MACROECONOMIC INSTABILITY

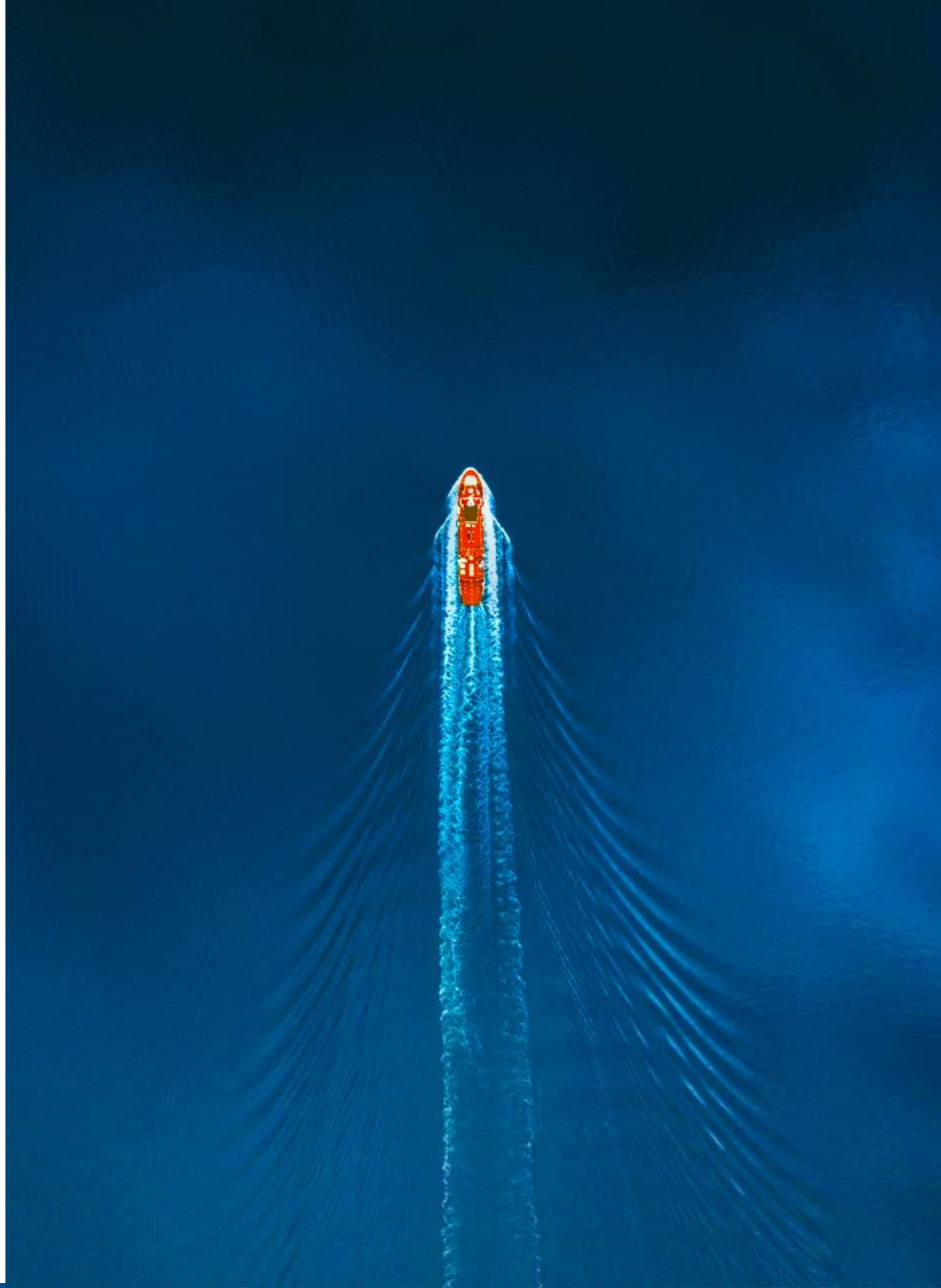
AFTER HAVING RECORDED A SEQUENTIAL WORSENING OF THE ICT DISTRIBUTION VOLUMES IN ALL EUROPEAN COUNTRIES THE ANALYSTS REDUCED THE SHORT-TERM EXPECTATIONS, PREDICTING FLAT OR EVEN SLIGHTLY NEGATIVE Q4-23 SALES TREND

- Retailers/E-tailers customer segment, representative of IT spending by **private consumers,** recorded -11% in 9M-23 and even -16% in Q3-23 alone.
- **Companies** started to be more cautious in IT purchases, deferring not strictly necessary expenses but keeping long-term strategic projects active.
- Growth rate reduction in ***Solutions*** segment expected in Q4-23, due to slowing demand and challenging y-o-y comparison.

2024 PROJECTIONS, ANALYSTS CONFIRM ESTIMATES FOR RECOVERY

SLOW ACCELERATION OF DEMAND IN H1-24, STRONGER IN H2-24. OTHER EXTERNAL SHOCKS MIGHT CHANGE THE OVERALL BACKDROP ACCELERATING THE RECOVERY OR SLOWING IT

- *Screens*, especially PCs, forecasted to grow again: after 2020 and 2021 record, last two years slugghish performance expected to be overcome by an upcoming replacement-wave due to both natural product lifecycle, end of Microsoft's Win-10 support and boost from AI-ready new products.
- Projections should have positive impact on the Group, considering that 54% of sales in 9M-23 came from Screens.
- Investments in digitalization of companies and public sector, still supported by NextgenEU funds, expected to continue albeit at slower growth rate.
- An easier comparison against a soft 2023 will help as well.



A year of transition

2023: GROUP'S STRATEGY IMPLEMENTATION ACCELERATING, BETWEEN GEOPOLITICAL AND MACROECONOMIC INSTABILITY AND ICT SECTOR CHALLENGES

The Group **accelerated the strengthening of V-Valley**, the *Solutions & Services* division, recording growth in line with the market.

Growing interest rates were the main reason of the accelerated exit from low margin & working capital intensive combinations of product/customers, especially in consumer segment.

The consequent loss of market share is now hopefully stabilized.

Group gross profit margin grew significantly for almost all business lines, absorbing both the inflationary impact of transport costs and the higher costs of factoring notwithstanding the strong activity of inventory reduction.

Cost optimization activities, including reallocation of resources from Esprinet to V-Valley, are **reducing the cost growth-rate paving the way for the expected decrease in the next months.**

Working capital improved, with lower inventory levels and better financing terms from vendors, but affected by an increase in DSO mainly due to a lower use of factoring.

2023 results impacted by **blanket agreement with the Italian Tax Authorities.**

The Group confirms the guidance of 70-80 M€ of EBITDA Adj., approximately equal to 2020, but with a gross profit and EBITDA margins well above.

Opportunities impacting the future

THE MACROECONOMIC AND GEOPOLITICAL SCENARIO HAS PROFOUNDLY AND RAPIDLY CHANGED THE ICT MARKET

The negative impacts linked to inflation, the cost of money and unpredictability have reshaped the picture of future opportunities.

While some trends have faded, new areas of growth are emerging:

- **I.** **Generative AI** will increasingly be a focus of attention: 40% of core IT spend will be allocated to AI initiatives, leading to a double-digit increase in the rate of product and process innovations.
- **II.** **Cybersecurity and risk**: building resilient businesses against multiplying threats.
- **III.** **Everything as a service**: transforming models to drive change and services aimed at underserved customers will rely on a tight integration of different AI services that offer new capabilities at lower costs.
- **IV.** **Move to sustainability** and ESG legislation could be a huge impact.

The ICT market is also conquering adjacencies: the world is increasingly witnessing the convergence of some sectors towards the tech one: for example, the green transition will bring enormous new opportunities to the broader tech industry (technology linked to energy efficiency and renewable energy, electrical mobility).

IN LIGHT OF THE HIGH RATE OF INNOVATION AND THE GROWING NEED FOR OUTSOURCING, THE GROUP IS QUICKLY ADAPTING ITS STRATEGY

FOR THIS REASON, NEXT YEAR AFTER THE AGM AND THE APPOINTMENT OF THE NEW BOARD OF DIRECTORS, THE GROUP WILL PRESENT A RENEWED STRATEGIC PLAN.

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9M 2023 RESULTS

9M 2023 Highlights

IN AN ADVERSE MARKET SCENARIO, THE GROUP CONTINUES TO BE FOCUSED ON HIGH MARGIN BUSINESS SEGMENTS DELIVERING SUSTAINED GROSS PROFIT MARGIN GROWTH

PROFITABILITY INDICATORS

YET ANOTHER SEQUENTIAL INCREASE IN THE GROSS PROFIT MARGIN

Fifth consecutive quarter with gross profit margins growth.
GP% **stood at 5.61%**, 39 bps more than the 5.22% of 9M-22 and 8 bps up sequentially against H1-23.

In the third quarter the gross profit margin **grew to 5.80%**, despite the slowdown in the growth rate of the high added value business lines “*Solutions & Services*” affected by a challenging y-o-y comparison.

Based on a better mix and higher GP% the Group is therefore paving the way, also thanks to a strong set of cost-cutting initiatives, for a potential future of higher EBITDA margins

FINANCIAL STRUCTURE

TRAJECTORY TOWARDS MORE SUSTAINABLE WORKING CAPITAL LEVELS CONFIRMED AS IMPROVING

The third quarter, historically the weakest in terms of cash conversion cycle, sees an increase compared to the previous one of only 7 days (average in recent years around 12 days), despite increasing DSO mainly due to a lower use of factoring.

Net Financial Position is negative by 260.6 M€ against 382.5 M€ as at 30 September 2022 and 207.2 M€ as at June 30, 2023, even more remarkably considering the level of factoring utilization in Q3-23 dropped by 160.3 M€ against the level of Q3-22 and by 120.3 M€ against Q2-23

9M & Q3 2023 Sales Evolution

IN Q3 THE ICT SECTOR RECORDED A SEQUENTIAL WORSENING OF THE DECLINE ALREADY SEEN IN H1. THE GROUP LOST ADDITIONAL MARKET SHARE AS A RESULT OF THE DUMPING OF STRUCTURALLY LOW ROCE PRODUCT/CUSTOMER COMBINATIONS

9M 2023 sales at 2,744.9 M€ (-15% compared to 9M 2022)
Q3 2023 sales at 839.1 M€ (-19% compared to Q3 2022)

	9M 2023			Q3 2023		
By Country[1]	**Esprinet**		**Market**[2]	**Esprinet**		**Market**[2]
Italy	1,685 M€	-12%	-5%	507 M€	-17%	-11%
Spain	949 M€	-20%	0%	297 M€	-22%	-9%
Portugal	80 M€	6%	-6%	24 M€	-8%	-9%
By Product Category	**Esprinet**		**Market**	**Esprinet**		**Market**
Screens	1,480 M€	-22%	-9%	459 M€	-24%	-13%
Devices	617 M€	-11%	-10%	190 M€	-14%	-17%
Own Brands	30 M€	-30%	[3]	9 M€	-37%	[3]
Total Esprinet division	***2,127 M€***	***-19%***	***-9%***	***658 M€***	***-22%***	***-13%***
Solutions & Services	618 M€	5%	7%	181 M€	-8%	-5%
Total V-Valley division	***618 M€***	***5%***	***7%***	***181 M€***	***-8%***	***-5%***
By Customer Type	**Esprinet**		**Market**	**Esprinet**		**Market**
Retailers & E-tailers	948 M€	-26%	-11%	326 M€	-24%	-16%
IT Resellers	1,951 M€	-9%	1%	592 M€	-14%	-7%
IFRS15 and other adjustments	*(154 M€)*			*(79 M€)*		

(1) Other Countries: 31 M€ in 9M 2023 (-28% compared to 9M 2022); 11 M€ in Q3 2023 (-40% compared to Q3 2022)
(2) For all market data, source: Context
(3) Market data not available

9M & Q3 2023 Profitability Evolution

DESPITE THE ONGOING HEADWINDS, THE PROGRESS IN PRIORITIZING HIGH ADDED VALUE PRODUCT AND CUSTOMER SEGMENTS AS WELL AS A STRONG SET OF COST CONTROL INITIATIVES ARE OFFSETTING, ALBEIT PARTIALLY, THE MARKET SLOWDOWN

Gross Profit

9M 2023 Gross Profit at **154.1 M€** (-8% compared to 9M 2022), **5.61% on sales** compared to 5.22% in 9M 2022.
Q3 2023 Gross Profit at **5.80% on sales** compared to 5.11% in Q3 2022.

EBITDA Adj.

9M 2023 EBITDA Adj. at **36.6 M€** (-33% compared to 9M 2022); **1.33% on sales** (1.69% on sales in 9M 2022).

Cash Conversion Cycle

Moving average last 4 quarters at **30 days**, -1 day compared to H1 2023 and +9 days compared to Q3 2022.

Net Financial Position

Negative for 260.6 M€, down compared to June 30, 2023 (negative for 207.2 M€) and better compared to September 30, 2022 (negative for 382.5 M€). The improvement follows the actions to contain the level of net invested working capital compared to the values accumulated during 2022.

ROCE

ROCE at **7.3%,** compared to 11.0% in Q3 2022.

Essentially due to the increasing Average Net Invested Capital, in turn mainly due to the increase in Average Net Working Capital.

P&L 9M & Q3 2023 of the *Five Pillars*

SOLUTIONS & SERVICES MANAGED BY THE V-VALLEY DIVISION REPRESENT NOW ~23% OF TOTAL SALES AND ~62% OF TOTAL PROFITABILITY.

	Revenues				EBITDA Adj.				EBITDA Margin Adj.		
	9M 2023	9M 2022	Delta	Δ %	9M 2023	9M 2022	Delta	Δ %	9M 2023	9M 2022	Delta
Screens	1,480.1	1,895.6	-415.5	-22%	9.1	16.9	-7.8	-46%	0.61%	0.89%	-0.28%
Devices	617.2	693.0	-75.8	-11%	7.8	16.4	-8.6	-52%	1.26%	2.37%	-1.10%
Own Brands	29.6	42.2	-12.6	-30%	-3.0	-1.2	-1.8	150%	-10.14%	-2.84%	-7.29%
Esprinet total	*2,126.9*	*2,630.8*	*-503.9*	*-19%*	*13.9*	*32.1*	*-18.2*	*-57%*	*0.65%*	*1.22%*	*-0.57%*
Solutions	610.4	576.5	33.9	6%	18.7	17.6	1.1	6%	3.06%	3.05%	0.01%
Services	7.6	10.4	-2.8	-27%	4.0	4.7	-0.7	-15%	52.63%	45.19%	7.44%
V-Valley total	*618*	*586.9*	*31.1*	*5%*	*22.7*	*22.3*	*0.4*	*2%*	*3.67%*	*3.80%*	*-0.13%*
Total	**2,744.9**	**3,217.7**	**-472.8**	**-15%**	**36.6**	**54.4**	**-17.7**	**-33%**	**1.33%**	**1.69%**	**-0.36%**

FIRST SIGNS OF SLOWDOWN IN GROWTH RATE IN *SOLUTIONS* FOR WEAK DEMAND AND CHALLENGING Y-O-Y COMPARISON

	Revenues				EBITDA Adj.				EBITDA Margin Adj.		
	Q3 2023	Q3 2022	Delta	Δ %	Q3 2023	Q3 2022	Delta	Δ %	Q3 2023	Q3 2022	Delta
Screens	459.4	607.1	-147.7	-24%	3.3	4.8	-1.5	-31%	0.72%	0.79%	-0.07%
Devices	189..6	221.7	-32.0	-14%	1.8	6.1	-4.3	-70%	0.95%	2.75%	-1.80%
Own Brands	9.1	14.5	-5.4	-37%	-0.6	-0.5	-0.1	20%	-6.59%	-3.45%	-3.15%
Esprinet total	*658.2*	*843.3*	*-185.1*	*-22%*	*4.5*	*10.4*	*-5.9*	*-57%*	*0.68%*	*1.23%*	*-0.55%*
Solutions	178.5	190.7	-12.2	-6%	5.9	4.4	1.5	34%	3.31%	2.31%	1.00%
Services	2.4	5.1	-2.7	-53%	1.3	1.6	-0.3	-19%	54.17%	31.37%	22.79%
V-Valley total	*180.9*	*195.8*	*-14.9*	*-8%*	*7.2*	*6.0*	*1.2*	*20%*	*3.98%*	*3.06%*	*0.92%*
Total	**839.1**	**1,039.1**	**-200.0**	**-19%**	**11.7**	**16.4**	**-4.7**	**-29%**	**1.39%**	**1.58%**	**-0.18%**

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.

9M & Q3 2023 P&L Summary

In Q3 increasing gross profit and SG&A control soften the effects of the topline reduction

(M/€)	9M 2023	9M 2022	Var. %	Q3 2023	Q3 2022	Var. %
Sales from contracts with customers	2,744.9	3,217.7	-15%	839.1	1,039.1	-19%
Gross Profit	154.1	167.9	-8%	48.7	53.1	-8%
Gross Profit %	*5.61%*	*5.22%*		*5.80%*	*5.11%*	
SG&A	117.5	113.6	3%	37.0	36.7	1%
SG&A %	*4.28%*	*3.53%*		*4.41%*	*3.53%*	
EBITDA adj.	**36.6**	**54.4**	**-33%**	**11.7**	**16.4**	**-29%**
EBITDA adj. %	*1.33%*	*1.69%*		*1.39%*	*1.58%*	
EBIT adj.	**22.2**	**41.5**	**-47%**	**6.7**	**12.1**	**-44%**
EBIT adj. %	*0.81%*	*1.29%*		*0.80%*	*1.16%*	
IFRS 16 interest expenses on leases	2.5	2.4	4%	0.8	0.8	4%
Other financial (income) expenses adj.	7.5	2.2	>100%	2.6	0.9	>100%
Foreign exchange (gains) losses	0.2	2.6	-92%	0.5	1.3	-57%
Profit before income taxes adj.	**11.9**	**34.3**	**-65%**	**2.8**	**9.1**	**-70%**
Profit before income taxes adj. %	*0.43%*	*1.07%*		*0.33%*	*0.88%*	
Income taxes	3.5	9.3		0.7	2.4	
Net Income adj.	**8.4**	**25.0**	**-66%**	**2.0**	**6.7**	**-70%**
Net Income adj. %	*0.31%*	0.78%		*0.24%*	*0.64%*	
Non-recurring costs	**33.3**	**1.7**	**>100%**	**-**	**1.4**	**<100%**
Net Income as reported	**-24.9**	**23.3**	**<100%**	**2.0**	**5.3**	**-62%**
Net Income as reported %	*-0.91%*	*0.72%*		*0.24%*	*0.51%*	

- The Group further improved its gross profit margin performance which stood at 5.61%, a progressive increase compared to 5.22% in the same period last year and to 5.53% recorded in H1-23, despite the impact (29 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 3%** mainly as a result of inflation and the adjustment of national collective bargaining agreement. Their weight on sales grew to 4.28% (from 3.53% in 9M-22). Remarkably in Q3 the growth was only 1% as the effects of the cost cutting initiatives kicks in, mainly in the Esprinet Division.
- **Increased net financial expenses** mainly related to the increase in interest rates.
- **Tax rate** essentially unchanged.
- **Non-recurring costs** of Euro 33.3 million 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.

9M 2023 BS Summary

On the balance sheet, inventory level and trade receivables takes the spotlight

(M/€)	30/09/2023	30/09/2022	30/06/2023
Fixed Assets	167.5	141.5	158.2
Operating Net Working Capital	381.0	540.9	334.3
Other current asset (liabilities)	13.2	2.5	8.0
Other non-current asset (liabilities)	(51.8)	(23.0)	(49.2)
Net Invested Capital *[pre IFRS16]*	**509.9**	**661.9**	**451.4**
RoU Assets *[IFRS16]*	106.7	105.5	109.4
Net Invested Capital	**616.6**	**767.3**	**560.8**
Cash	(114.4)	(65.4)	(130.3)
Short-term debt	155.4	217.1	121.3
Medium/long-term debt(1)	116.0	135.3	110.2
Financial assets	(9.3)	(15.3)	(9.5)
Net financial debt *[pre IFRS16]*	**147.7**	**271.7**	**91.7**
Net Equity *[pre IFRS16]*	**362.2**	**390.2**	**359.6**
Funding sources *[pre IFRS16]*	**509.9**	**661.9**	**451.4**
Lease liabilities *[IFRS16]*	112.9	110.8	115.4
Net financial debt	**260.6**	**382.5**	**207.2**
Net Equity	**356.0**	**384.9**	**353.6**
Funding sources	**616.6**	**767.3**	**560.8**

(1) Including the amount due within 1 year

(2) Net financial debt pre IFRS 16

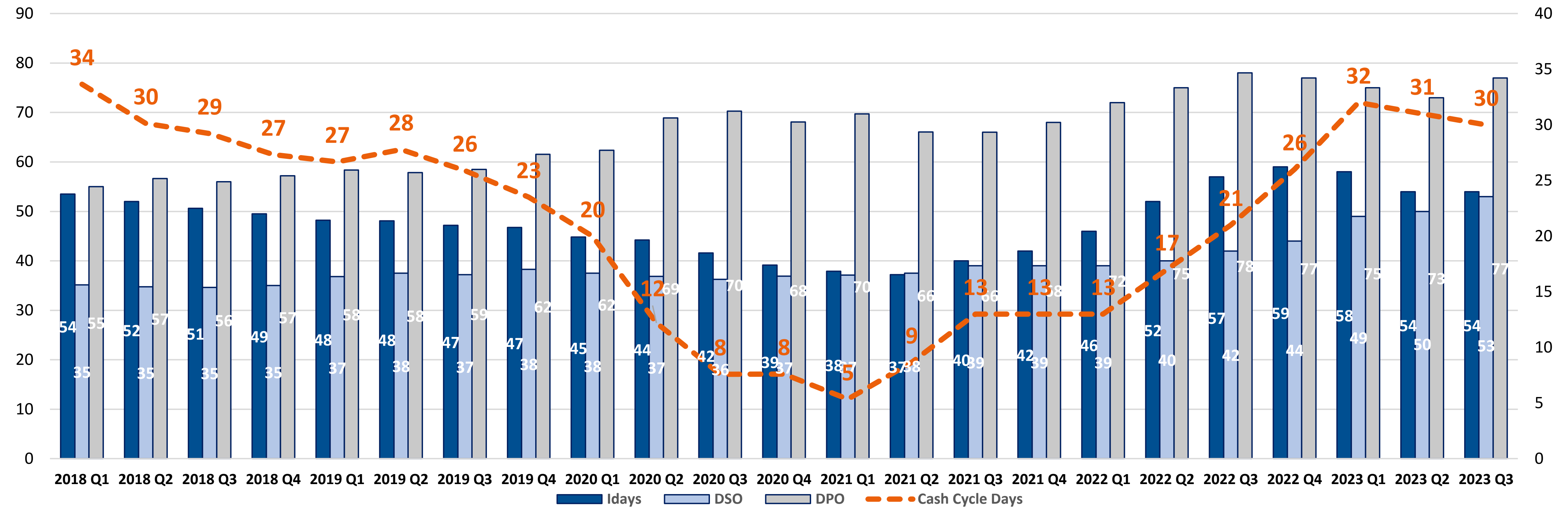
- Net Invested Capital as of September 30, 2023 stood at 616.6 M€ and is covered by:
  - Shareholders' equity for 356.0 M€ (384.9 M€ as of September 30, 2022);
  - Cash negative for 260.6 M€ (negative for 382.5 M€ as of September 30, 2022).
- Operating Net Working Capital impact:

(M/€)	30/09/2023	30/06/2023	31/03/2023	31/12/2022	30/09/2022
Inventory	614.2	533.7	597.9	672.7	794.0
Trade receivables	548.5	476.4	677.3	701.1	549.8
Trade payables	781.7	675.9	770.6	1,112.2	802.9
Operating Net Working Capital	**381.0**	**334.3**	**504.5**	**261.6**	**540.9**

The Group persists in activities aimed at fully reabsorbing the inventory in excess.

At the same time the Group is seeking 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 programs are not used) and factoring programs for Retailers due to the increasing cost, which is booked in the gross profit (Euro 244.0 million at 30 September 2023, compared to Euro 404.3 million at 30 September 2022 and Euro 364.2 million at 30 June 2023).

Working Capital Metrics 4-qtr average

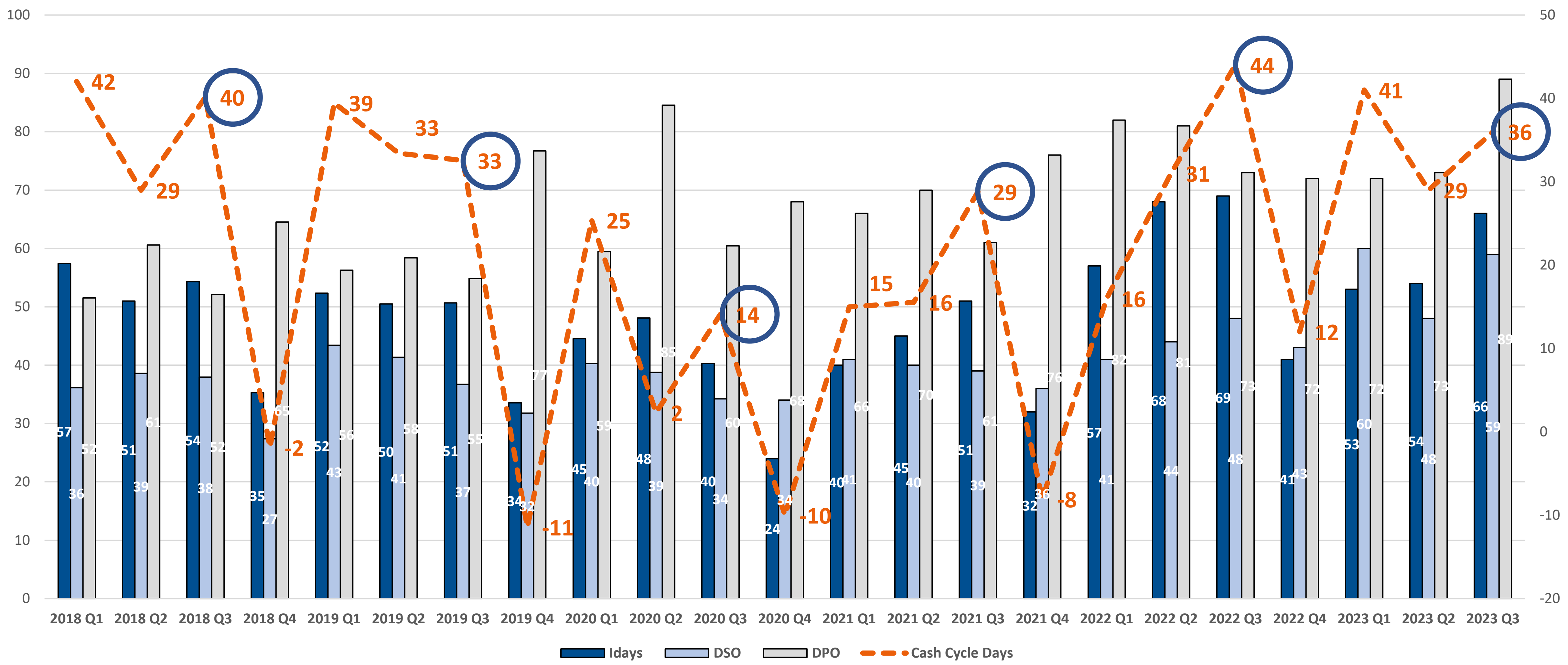


Working capital improvement (-1 day) compared to the previous quarter due to:

- stable inventory days (+0 days);
- increase in DSO (+3 days);
- increase in DPO (+4 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)

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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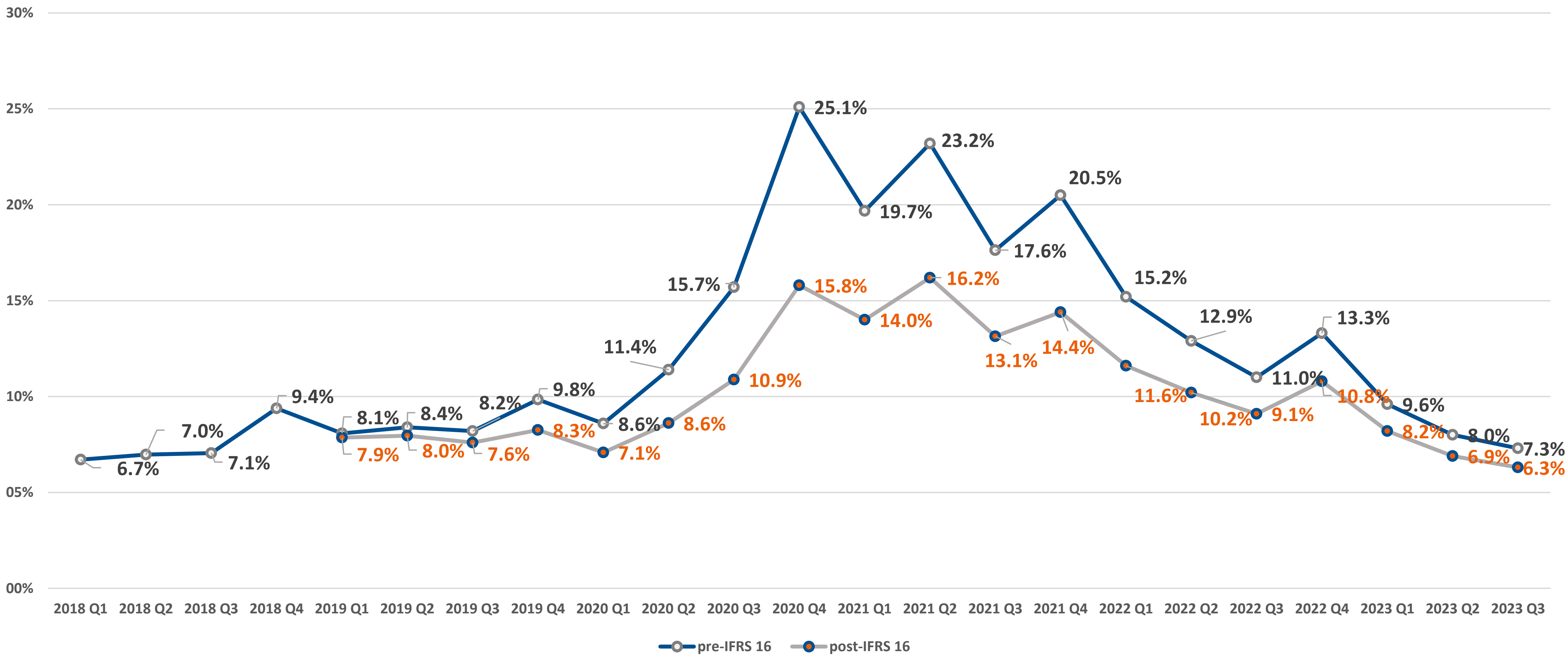
ROCE Evolution Up To Q3 2023



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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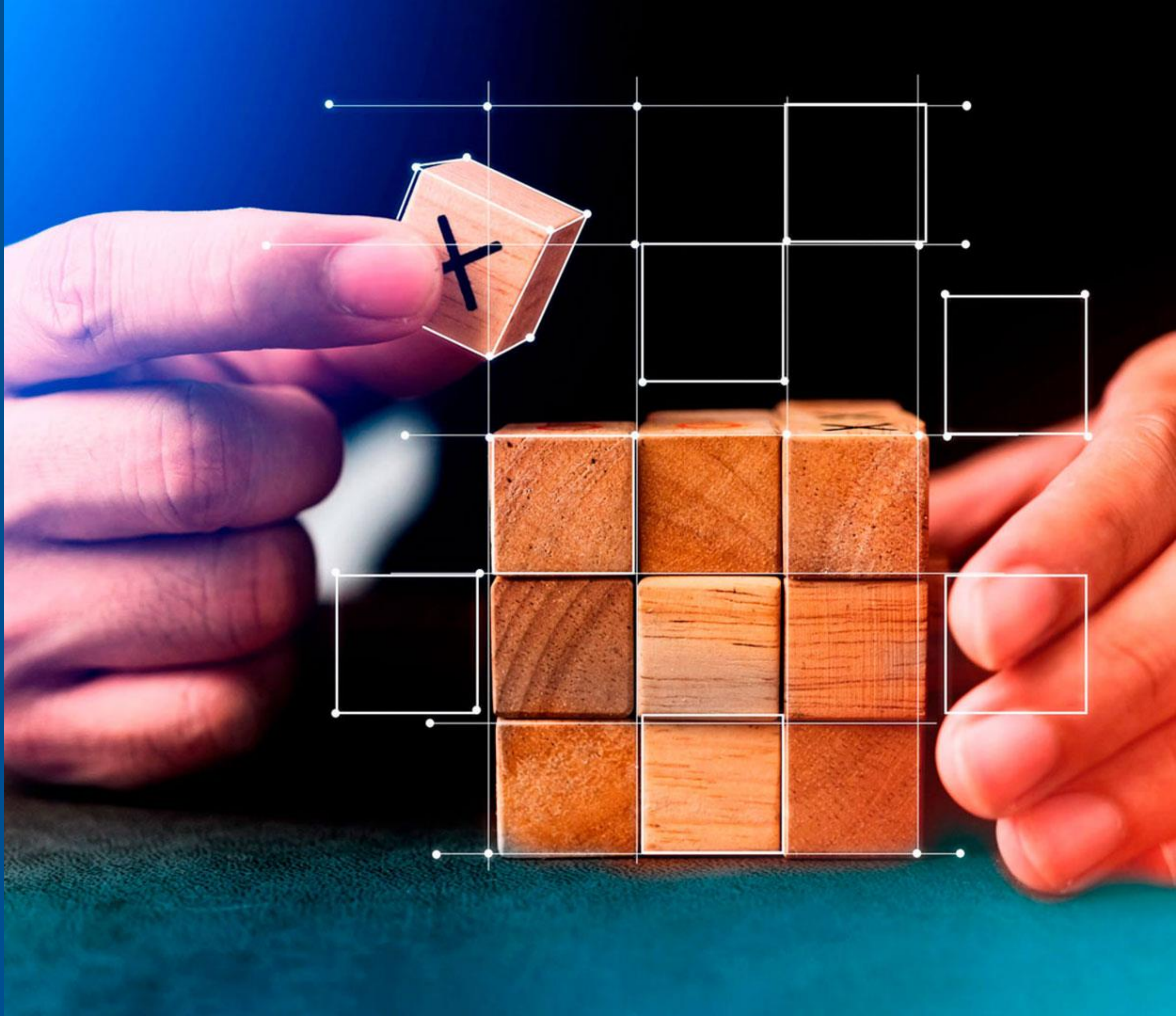
FINAL REMARKS



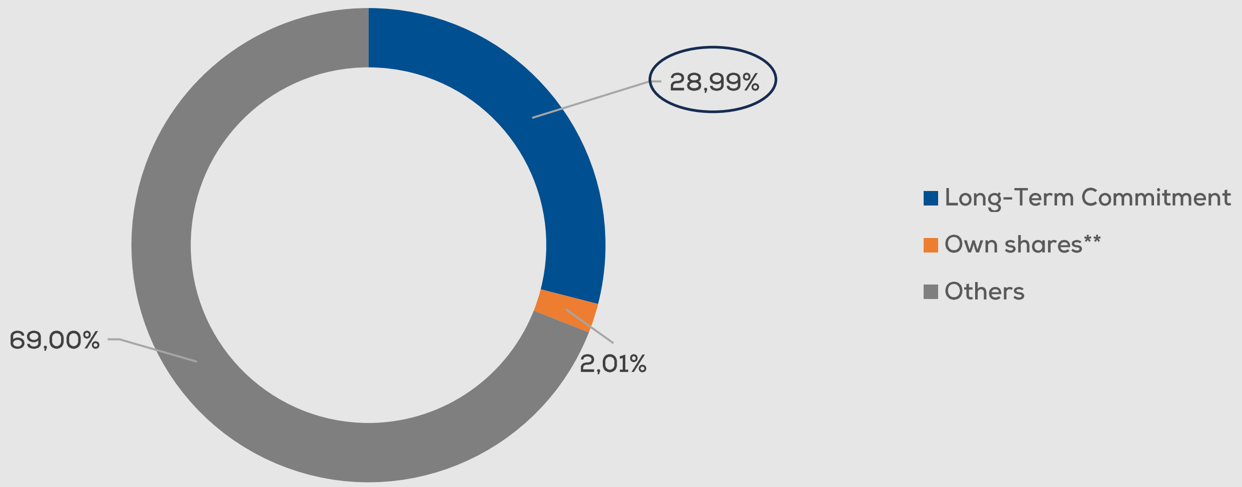
Shareholders Structure

MAURIZIO ROTA, CHAIRMAN OF ESPRINET, AND ALESSANDRO CATTANI, CEO OF ESPRINET, HAVE RISEN TO ~13%* OF ESPRINET'S TOTAL SHARE CAPITAL, DEMONSTRATING CONFIDENCE IN THE GROUP'S FUTURE GROWTH PROSPECTS

AFTER BUYING SHARES IN 2020, RISING TO ~9%, THEY BOUGHT MORE THAN 1.2 MILLION SHARES IN OCTOBER 2023, THROUGH THEIR INVESTMENT VEHICLE AXOPA S.r.l..

CONSIDERING SHARES PERSONALLY OWNED BY MAURIZIO ROTA AND ALESSANDRO CATTANI AND THE SHAREHOLDER AGREEMENT SIGNED BETWEEN AXOPA S.r.l. AND MONTINVEST S.r.l. (MONTI FAMILY) IN MARCH 2023, THE LONG-TERM COMMITMENT IS NOW CONFIGURED AS FOLLOWS.

Long-term Commitment on Voting Rights



(*) As total of shares owned individually by Maurizio Rota and Alessandro Cattani and owned jointly through the "Axopa S.r.l." vehicle.
(**) Own shares with suspended voting rights.

Final Remarks

NAVIGATING HEADWINDS OF INTEREST RATES HIKES, UNCERTAINTY AND HIGH INFLATION TOWARDS NEW GROWTH OPPORTUNITIES

ONGOING RESULTS RECAP

A trajectory of improvement

Significant gross profit margin growth
product/customer mix pushed towards high-margin segments, absorbing the inflationary impact on transport costs by transferring them downstream and despite the sharp increase in costs of factoring programs

Cost control initiatives
resources optimization in the Esprinet division (Screens, Devices & Own Brands), investments into V-Valley high-margin lines development

Working Capital improvement
inventory levels reduction, despite increasing DSO mainly due to a lower use of factoring

Loss of market share stabilized
process of cutting sales with low margins and high absorption of working capital, accelerated by growing interest rates, now mostly done

The Group confirms the guidance of 70-80 M€ of EBITDA Adj., approximately equal to 2020, but with a gross profit and EBITDA margins well above

PROJECTIONS OF LONG-TERM GROWTH

The ability of distribution to direct it

Forecasted ICT industry recovery in 2024
slow acceleration of demand in H1-24, stronger in H2-24

Projections influenced by geopolitical and economic instability
external shocks will define final levels of growth

Global scenario profoundly and rapidly changed the market
negative impacts of inflation, cost of money and unpredictability reshaped future opportunities

New emerging areas of growth
Generative AI, Cybersecurity, Everything as a service and Sustainability

ICT conquering adjacencies
convergence of some sectors towards tech: energy efficiency and renewable energy, electric mobility

Renewed Group's strategic plan
next year, after AGM and new BoD appointment

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Q&A

Upcoming Events

EVENT	DATE
Madrid MidCap Conference (Virtual Edition) organized by Intermonte	**November 16th, 2023**

Thank you

GRAZIE • GRACIAS • OBRIGADO • DANKE • MERCI • 감사 • 謝謝 • 感謝

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