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H1 2024 Results Presentation

September 12, 2024

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H1 2024 RESULTS

H1 2024 Highlights

THE ICT DISTRIBUTION MARKET IN SOUTHERN EUROPE RETURNS TO GROWTH IN Q2 AND GROUP KEEPS GAINING MARKET SHARE IN ITALY AND SPAIN.
EBITDA ADJ. BACK TO GROWTH AT +9% IN Q2-23.
FURTHER REDUCTION OF CASH-CYCLE AND OF NET DEBT.

PROFITABILITY INDICATORS

VOLUME GROWTH AND COST CONTROL
FOR SIGNIFICANT IMPROVEMENT IN EBITDA ADJ.

In Q2-24, the ICT distribution market in Southern Europe returned to growth and this **positive trend continued in July**.

In this context, **the Group outperformed the market with a 9% increase in Gross Sales**, gaining market share in particular in the high-margin segment of Solutions and Services where growth was 17% in a flat market.

The retail customer segment also showed signs of recovery after a long period of contraction.

Thanks to volume growth and cost control,
the Group records a 9% increase in EBITDA Adj. in Q2-24.

FINANCIAL STRUCTURE

CASH CONVERSION CYCLE GRADUALLY CLOSE TO EXPECTED LEVEL

Further progressive improvement of working capital thanks to the balance between inventory level and financing by suppliers.

Cash Conversion Cycle closed at 22 days, -9 days compared to Q2-23 and -2 days compared to Q1-24.

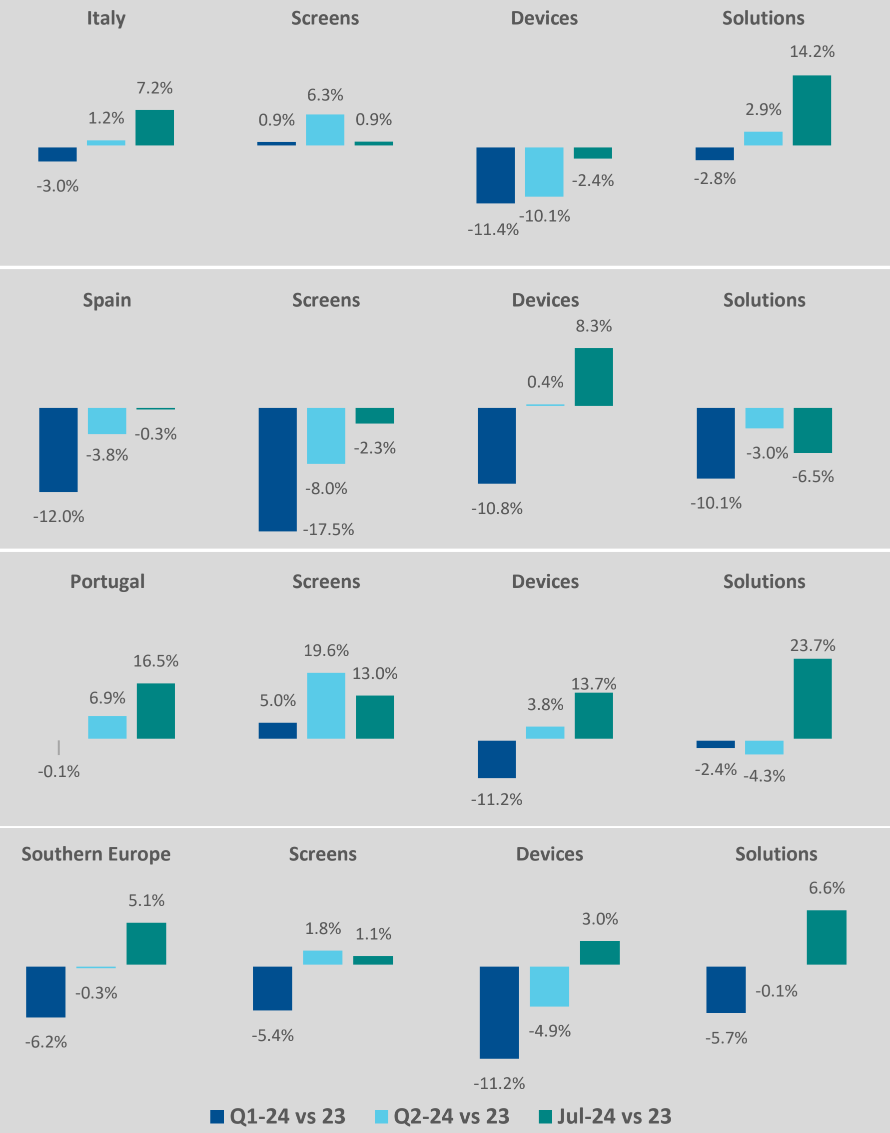
Net Financial Position is negative (Euro 164.0 million) but improved compared to both June 30, 2023 and March 31, 2024
due to the control of the level of net invested working capital.

H1 2024 Sales Evolution

PROGRESSIVE INCREASE IN INFRASTRUCTURE SALES AND RETURN TO GROWTH IN CONSUMER SALES ARE ENCOURAGING SIGNS OF A TURNING POINT EXPECTED IN H2-24.
THE GROUP CONTINUES ON THE PATH OF STRENGTHENING ITS MARKET SHARE ABOVE ALL IN HIGH MARGIN SEGMENTS.

	Q2-24 Net Sales As Reported	Q2-24 Gross Sales[2]	Var. vs Q2-23	Var. vs Q2-23	H1-24Net Sales As Reported	H1-24 Gross Sales	Var. vs H1-23	Var. vs H1-23
By Country[1]	Esprinet			Market[3]	Esprinet			Market
Italy	610 M€	642 M€	+10%	+1%	1,242 M€	1,302 M€	+6%	-1%
Spain	299 M€	354 M€	+11%	-4%	579 M€	680 M€	-1%	-8%
Portugal	12 M€	13 M€	-58%	+7%	23 M€	26 M€	-58%	+3%
Morocco	3 M€	5 M€	+88%	n.a.	5 M€	9 M€	+69%	n.a.
By Product Category	Esprinet			Market	Esprinet			Market
Screens	483 M€	495 M€	+5%	+2%	962 M€	980 M€	-2%	-2%
Solutions & Services	224 M€	297 M€	+17%	+0%	459 M€	600 M€	+12%	-3%
Devices[4]	217 M€	222 M€	+6%	-5%	429 M€	437 M€	-1%	-8%
By Customer	Esprinet			Market	Esprinet			Market
Retailers & E-tailers	318 M€	325 M€	+19%	+0%	595 M€	606 M€	-3%	-6%
IT Resellers	606 M€	689 M€	+4%	+0%	1,255 M€	1,411 M€	+4%	-2%

Sales distribution trend in Southern Europe



(1) *Data calculated on the basis of the Group structure, therefore by Country of invoicing. Refer to the press release to see the breakdown of sales by customer origin. Unaudited figures.*
(2) *Gross of IFRS 15 accounting and other adjustments.*
(3) *For all market data, source: Context (reporting distribution Gross Sales)*
(4) *Including Own Brands.*

Market Challenges and Opportunities Moving Forward

THE OVERALL SCENARIO SEEMS TO CONFIRM FORECASTS OF INDUSTRY ANALYSTS WHO SEE THE IT DISTRIBUTION MARKET IN THE SECOND PART OF THE YEAR RECOVERING COMPARED TO 2023.

- The results of the second quarter 2024, confirmed by the market performance recorded in July, seem to indicate the recovery of private consumer purchases and the continued growth of the business segment, in a context that is still in the stabilization phase.
- ICT spending in Europe is expected to keep growing in the coming years. IT and AI spending will both outpace and drive GDP growth and productivity.
- IT industry growth in 2024 fuelled by AI-driven innovations and growing demand for diversified software. A significant portion of corporate spending is now directed toward AI-related investments.
- Continued rebound in the PCs market after a very challenging 2023: AI-capable PCs on the rise. In B2B segment they are driving incremental revenue growth. They globally claim approx. 14% of share of all PCs shipped in Q2-24 and they are just getting started.
- After the high B2B investments of recent years, replacement cycle have begun but have yet to express its full potential.
- The market recovery is supported by the improvement in sales to Retail channels, despite tailwinds of cost-of-living crisis impacting consumer buying patterns & decreasing avg. prices.
- From a macroeconomic perspective, inflationary pressures are easing and falling interest rates in H2-24 should drive an acceleration of growth.

H1 2024 Profitability Evolution

THANKS TO Q2-24 GROWTH IN REVENUES AND TO STRICT COST CONTROL, THE GROUP RECORDS A 9% INCREASE IN EBITDA ADJ. FURTHER REDUCTION IN NET FINANCIAL DEBT, RESULTING FROM 5TH QUARTER OF CASH CONVERTION CYCLE SEQUENTIAL IMPROVEMENT.

Gross Profit

H1-24 Gross Profit at **104.8 M€** (-1% compared to H1-23), **5.67% on sales**, compared to 5.53% of H1-23.
Q2-24 Gross Profit at **51.7 M€** (+1% compared to Q2-23), **5.59% on sales**, compared to 5.75% of Q2-23.

EBITDA Adj.

H1-24 EBITDA Adj. at **24.7 M€** (-1% compared to H1-23); **1.33% on sales** (1.31% on sales in H1-23).
Q2-24 EBITDA Adj. at **10.3 M€** (+9% compared to Q2-23); **1.12% on sales** (1.07% on sales in Q2-23).

Cash Conversion Cycle

Closes at **22 days**, -9 days compared to Q2-23 and -2 days compared to Q1-24.

Net Financial Position

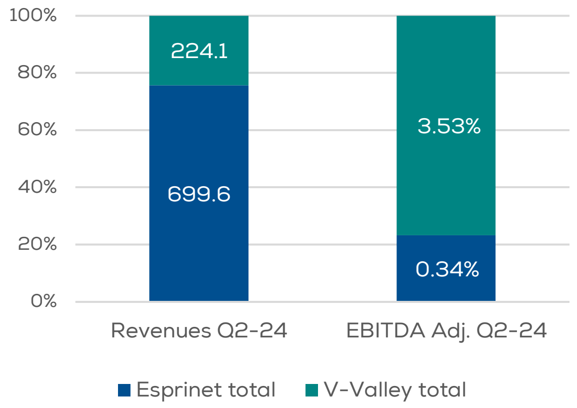
Negative for Euro 164.0 million, improved over June 30, 2023 (negative by Euro 207.2 million) and over March 31, 2024 (negative by Euro 188.3 million) thanks to the actions to contain the level of net invested capital by lower use of net working capital. NFP improvement even better considering lower use of Factoring.

ROCE

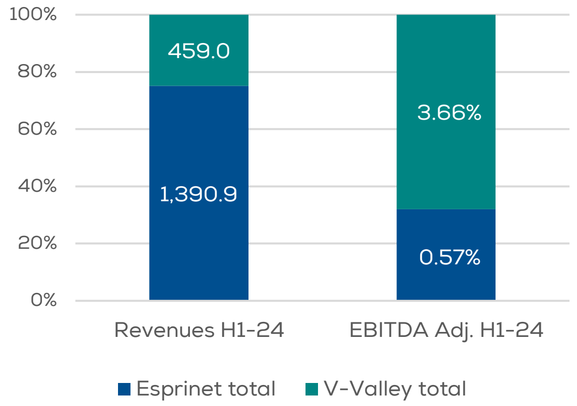
Closes at **7.1%,** up from 6.4% of Q1-24

P&L H1 & Q2 2024 of the *Five Pillars*

	Revenues				EBITDA Adj.				EBITDA Margin Adj.		
	Q2 2024	Q2 2023	Delta	Δ %	Q2 2024	Q2 2023	Delta	Δ %	Q2 2024	Q2 2023	Delta
Screens	482.9	473.0	9.9	2%	1.9	1.3	0.6	46%	0.39%	0.27%	0.12%
Devices	216.7	211.0	5.7	3%	0.5	1.8	-1.3	-72%	0.23%	0.85%	-0.62%
Esprinet total	699.6	684.0	15.6	2%	2.4	3.1	-0.7	-23%	0.34%	0.45%	-0.11%
Solutions	220.6	201.0	19.6	10%	6.3	5.2	1.1	21%	2.86%	2.59%	0.27%
Services	3.5	2.2	1.3	59%	1.6	1.2	0.4	33%	45.71%	54.55%	-8.83%
V-Valley total	224.1	203.2	20.9	10%	7.9	6.4	1.5	23%	3.53%	3.15%	0.38%
Total	**923.7**	**887.2**	**36.5**	**4%**	**10.3**	**9.5**	**0.8**	**9%**	**1.12%**	**1.07%**	**0.04%**



	Revenues				EBITDA Adj.				EBITDA Margin Adj.		
	H1 2024	H1 2023	Delta	Δ %	H1 2024	H1 2023	Delta	Δ %	H1 2024	H1 2023	Delta
Screens	962.2	1,020.7	-58.5	-6%	5.2	5.8	-0.6	-10%	0.54%	0.57%	-0.03%
Devices	428.7	448.0	-19.3	-4%	2.7	3.6	-0.9	-25%	0.63%	0.80%	-0.17%
Esprinet total	1,390.9	1,468.7	-77.8	-5%	7.9	9.4	-1.5	-16%	0.57%	0.64%	-0.07%
Solutions	451.9	431.9	20.0	5%	13.3	12.8	0.5	4%	2.94%	2.96%	-0.02%
Services	7.1	5.2	1.9	37%	3.5	2.7	0.8	30%	49.30%	51.92%	-2.63%
V-Valley total	459.0	437.1	21.9	5%	16.8	15.5	1.3	8%	3.66%	3.55%	0.11%
Total	**1,849.9**	**1,905.8**	**-55.9**	**-3%**	**24.7**	**24.9**	**-0.2**	**-1%**	**1.33%**	**1.31%**	**0.03%**



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.

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Q2 & H1 2024 P&L Summary

Despite the impact of last year's acquisitions, operating costs remain stable and, together with increasing sales volumes, contribute to the growth of EBITDA Adj..

(M/€)	Q2 2024	Q2 2023	Var. %	H1 2024	H1 2023	Var. %
Sales from contracts with customers	923.7	887.2	4%	1,849.9	1,905.8	-3%
Gross Profit	51.7	51.0	1%	104.8	105.4	-1%
Gross Profit %	*5.59%*	*5.75%*		*5.67%*	*5.53%*	
SG&A	41.3	41.5	0%	80.2	80.5	0%
SG&A %	*4.47%*	*4.68%*		*4.33%*	*4.22%*	
EBITDA adj.	**10.3**	**9.5**	**9%**	**24.7**	**24,9**	**-1%**
EBITDA adj. %	*1.12%*	*1.07%*		*1.33%*	*1.31%*	
EBIT adj.	**5.0**	**4.6**	**7%**	**14.0**	**15.4**	**-9%**
EBIT adj. %	*0.54%*	*0.52%*		*0.75%*	*0.81%*	
EBIT	**5.0**	**-21.7**	**<100%**	**14.0**	**-10.9**	**<100%**
EBIT %	*0.54%*	*-2.45%*		*0.75%*	*-0.57%*	
IFRS 16 interest expenses on leases	0.8	0.9	-7%	1.6	1.7	-5%
Other financial (income) expenses	2.3	9.5	-75%	5.1	11.8	-57%
Foreign exchange (gains) losses	0.4	0.1	>100%	1.4	-0.3	<100%
Profit before income taxes	**1.4**	**-32.2**	**<100%**	**5.9**	**-24.2**	**<100%**
Profit before income taxes %	*0.15%*	*-3.63%*		*0.32%*	*-1.27%*	
Income taxes	1.4	0.6		2.6	2.7	
Net Income	**0.1**	**-32.8**	**<100%**	**3.3**	**-26.9**	**<100%**
Net Income %	*0.01%*	*-3.70%*		*0.18%*	*-1.41%*	

- **In Q2-24 Gross Profit returns to growth compared to the same period last year** benefited from improving IT spending environment and recovery of market share. Gross profit margin stood at **5.59% in Q2-24** and **5.67% in H1-24**.
- The impact of the financial charges of the non-recourse credit transfer programs increases 7 bps.
- **SG&A**: **operating costs are stable** despite the impacts of the acquisitions of Sifar Group S.r.l. in Italy and Lidera Network S.L. in Spain, both signed in August 2023, and despite the increase related to collective bargaining agreements. In Q2-24 their weight on sales drops to 4.47% from 4.68% in Q2-23.
- EBIT Adj. slightly lower than EBITDA Adj. mainly due to the **depreciation relating to the automation systems of some Italian warehouse activities.**
- **Net financial expenses in Q2-24 substantially flat**, excluding the impact of interests related to last year tax dispute, despite the unfavorable dynamics of the euro/dollar exchange rate and thanks to the significant reduction in average debt in the period.
- **Tax rate** impacted by the cancellation of some tax assets.

H1 2024 BS Summary

Further signal in the trajectory of improvement of cash conversion cycle levels towards the objective of sustainable working capital and consequent return to higher levels of ROCE.

(M/€)	30/06/2024	30/06/2023	31/03/2024
Fixed Assets	168.2	158.2	169.1
Operating Net Working Capital	281.6	334.3	317.1
Other current asset (liabilities)	31.0	8.0	17.7
Other non-current asset (liabilities)	(45.1)	(49.2)	(46.7)
Net Invested Capital *[pre IFRS16]*	**435.6**	**451.4**	**457.2**
RoU Assets *[IFRS16]*	99.4	109.4	101.8
Net Invested Capital	**534.9**	**560.8**	**559.0**
Cash	(163.5)	(130.3)	(220.4)
Short-term debt	142.0	121.3	203.8
Medium/long-term debt(1)	88.9	110.2	106.7
Financial assets	(9.6)	(9.5)	(10.3)
Net financial debt *[pre IFRS16]*	**57.9**	**91.7**	**79.9**
Net Equity *[pre IFRS16]*	**377.7**	**359.6**	**377.3**
Funding sources *[pre IFRS16]*	**435.6**	**451.4**	**457.2**
Lease liabilities *[IFRS16]*	106.2	115.4	108.4
Net financial debt	**164.0**	**207.2**	**188.3**
Net Equity	**370.9**	**353.6**	**370.7**
Funding sources	**534.9**	**560.8**	**559.0**

(1) Including the amount due within 1 year

(2) Net financial debt pre IFRS 16

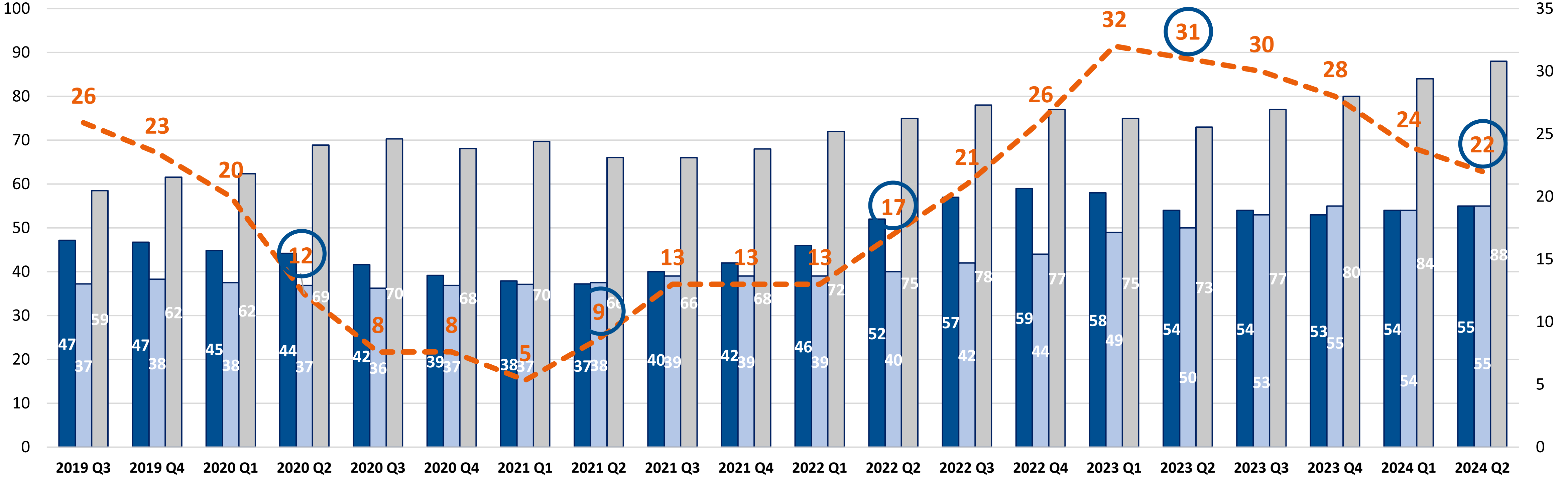
- Net Invested Capital as of June 30, 2024 stands at 534.9 M€ and is covered by:
  - Shareholders' equity for 370.9 M€ (353.6 M€ as of June 30, 2023);
  - Cash negative for 164.0 M€ (negative for 207.2 M€ as of June 30, 2023).
- Operating Net Working Capital impact:

(M/€)	30/06/2024	31/03/2024	31/12/2023	30/09/2023	30/06/2023
Inventory	610.2	582.2	514.8	614.2	533.7
Trade receivables	518.7	608.8	698.6	548.5	476.4
Trade payables	847.3	873.9	1,109.3	781.7	675.9
Operating Net Working Capital	**281.6**	**317.1**	**104.1**	**381.0**	**334.3**

The Group will continue on the path of a clear improvement in Working Capital and a further reduction in Net Debt by the end of the year.

The Group is still focused on reducing inventory on the one hand, on the other hand it is working to obtain payment deferrals to make the activities structurally attractive that allow to consolidate the market share and to better balance between DSOs - following the shift towards the segment of IT Resellers, whose receivables are usually not covered by factoring programs - and factoring programs for Retailers (334.1 million Euros at 30 June 2024, compared to 364.2 million Euros at 30 June 2024) due to the increasing cost, which is accounted for in the gross profit.

Working Capital Metrics 4-qtr average



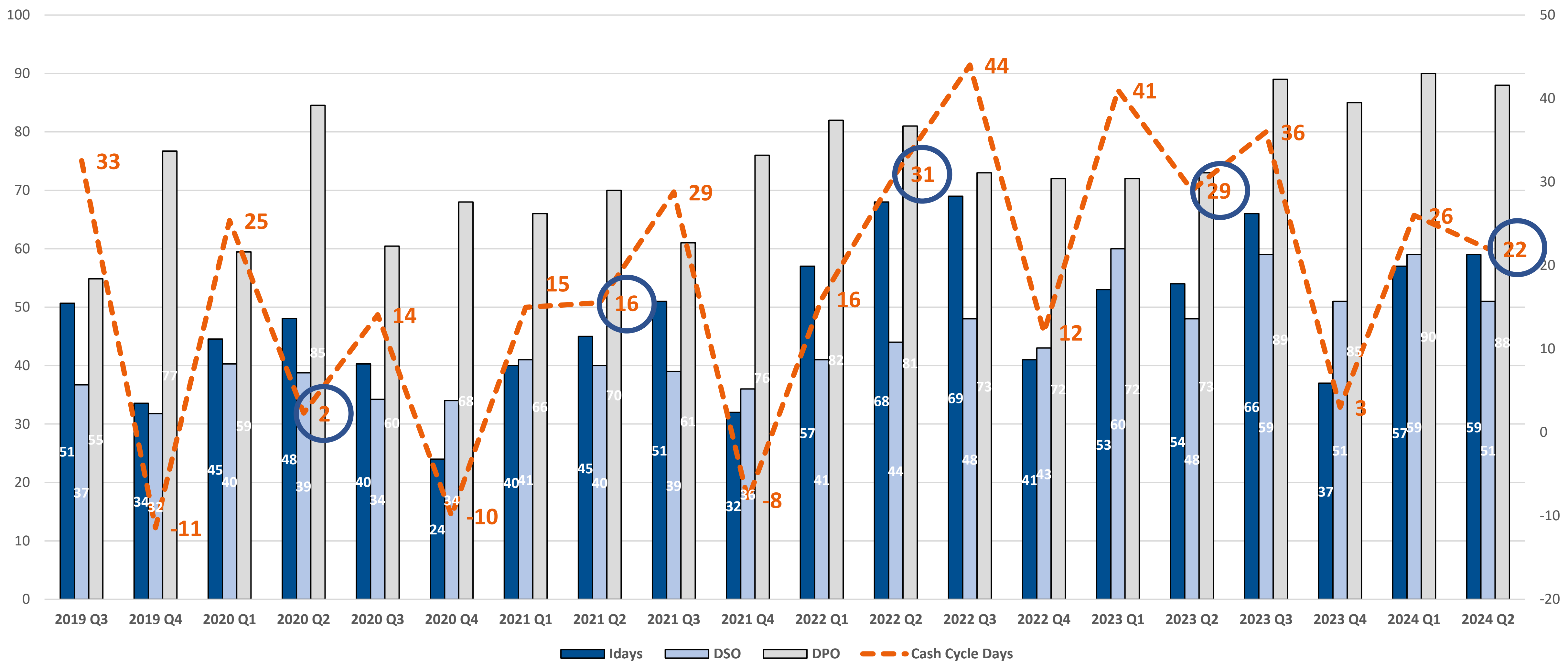
Average WC on Sales	*7.09%*	*6.44%*	*5.47%*	*3.34%*	*2.19%*	*2.19%*	*1.37%*	*2.19%*	*3.56%*	*3.56%*	*3.56%*	*4.66%*	*5.75%*	*7.12%*	*8.77%*	*8.49%*	*8.22%*	*7.67%*	*6.58%*	*6.03%*

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

- increase in inventory days (+1 day);
- increase in DSO (+1 day);
- increase in DPO (+4 days).

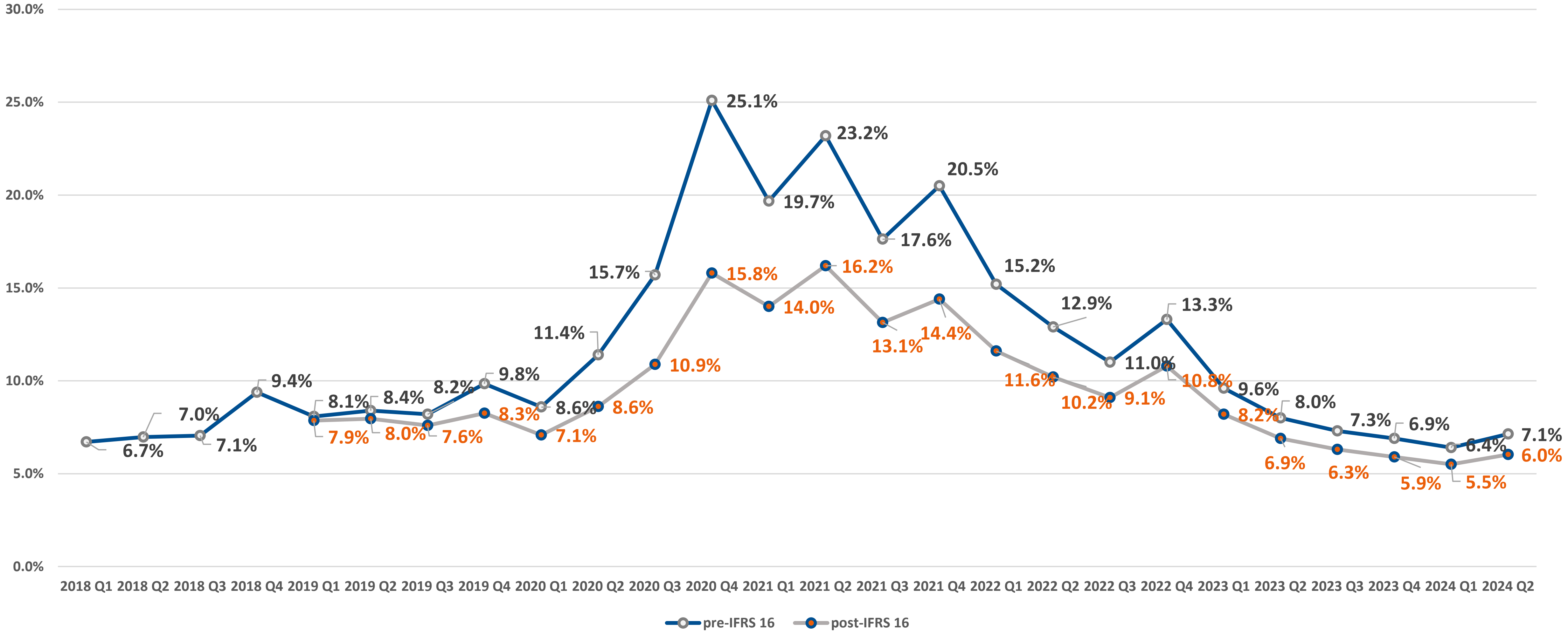
Idays (Inventory Days): 4-qtr average of (quarter-end Inventory / quarterly Sales * 90)
DSO (Days of Sales Outstanding): 4-qtr average of (quarter-end Trade Receivables / quarterly Sales * 90)
DPO (Days of Purchases Outstanding): 4-qtr average of (quarter-end Trade Payables / quarterly Cost of Sales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

Working Capital Metrics quarter-end



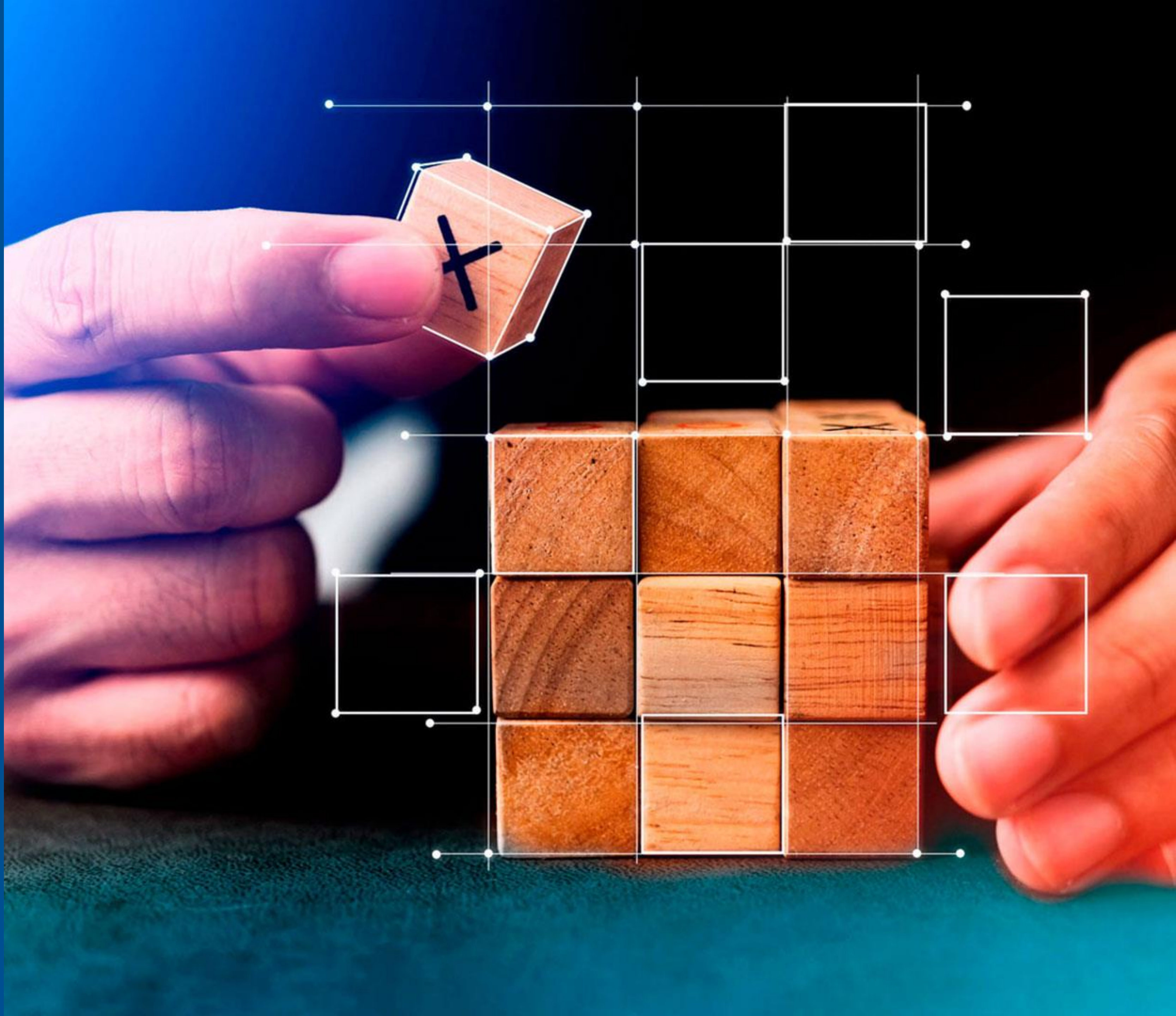
Idays (Inventory Days): quarter-end Inventory / quarterly Sales * 90
DSO (Days of Sales Outstanding): quarter-end Trade Receivables / quarterly Sales * 90
DPO (Days of Purchases Outstanding): quarter-end Trade Payables / quarterly Cost of Sales * 90

ROCE Evolution Up To Q2 2024



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

FINAL REMARKS



Final Remarks

ONGOING RESULTS RECAP: A TRAJECTORY OF IMPROVEMENT

- **ICT distribution market: back to growth**
  The ICT distribution market in Southern Europe returned to growth in Q2-24, and this positive trend continued in July.

- **Market share growth**
  In Q2-24, the Group continued to strengthen its market share in Italy and Spain, focusing above all on Solutions and Services and IT Resellers, segments with higher added value.
  However, the Group also outperformed the market trend in the consumer sector, where demand from private consumers showed an initial sign of recovery.

- **Cost control initiatives**
  Operating costs remain stable and, together with increasing sales volumes, contribute to the growth of EBITDA Adj..

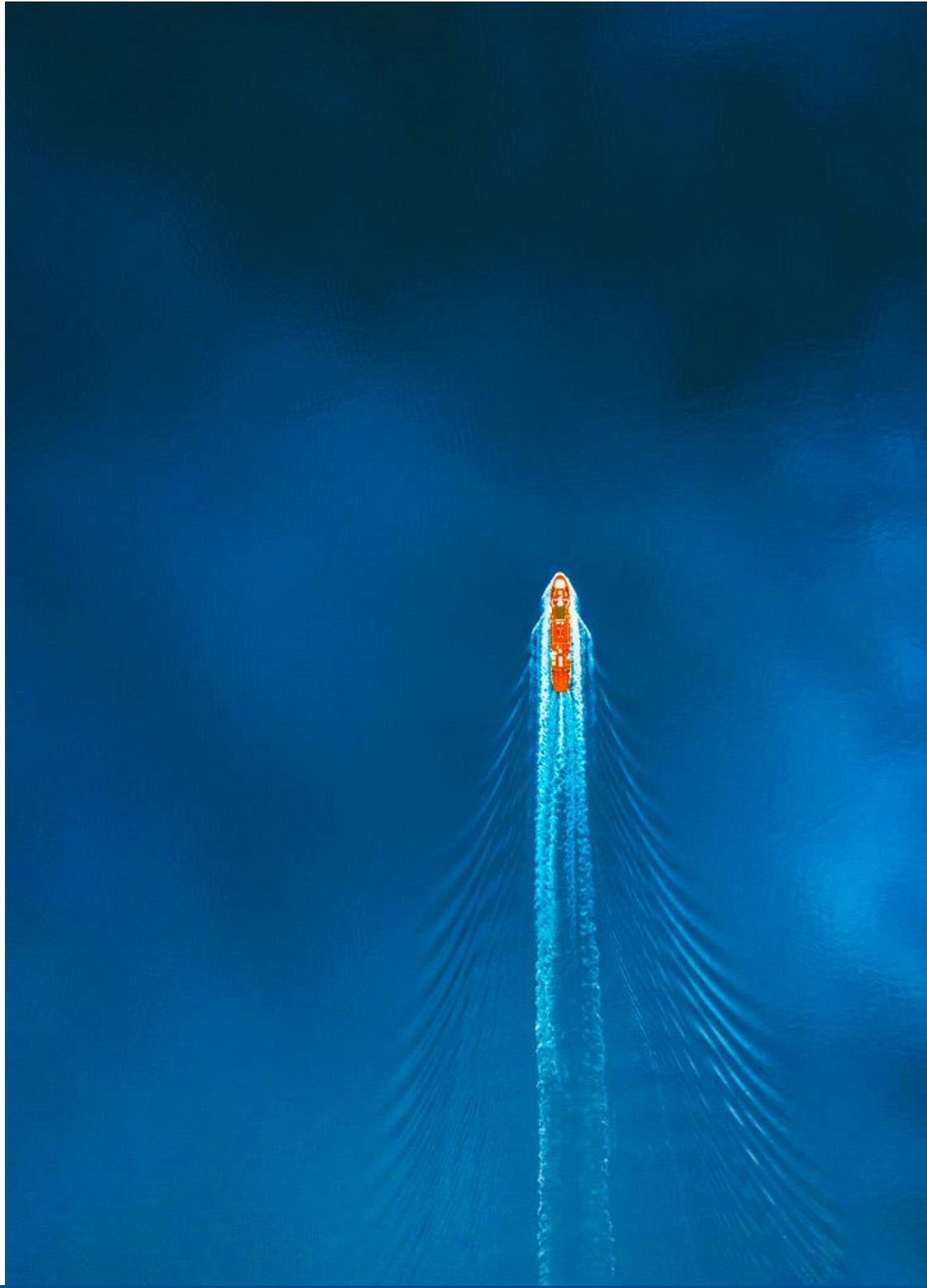
- **Working Capital improvement**
  Further reduction in net financial debt, resulting from the constant improvement in the working capital cycle, now close to expected level.

In light of the results as of June 30, 2024 and in the context described above,

THE GROUP CONFIRMS ITS EXPECTATIONS FOR THE CURRENT FINANCIAL YEAR, WHICH FORESEES AN ADJ. EBITDA BETWEEN 66 AND 71 MILLION EUROS COMPARED TO 64.1 MILLION EUROS LAST YEAR.

PROJECTIONS OF LONG-TERM GROWTH

- **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.
- **Monetizing this AI momentum**: product innovation, linked above all to Artificial Intelligence, will be an important driver.
- Demand driven by greater digitalization resulting in greater complexity is creating a **strong need for distributor-provided services.**
- Gaining ground in other areas, seizing **opportunities deriving from the convergence of some sectors towards technology,** investing in digital and green transition technology.



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Q&A

Upcoming Events

EVENT	DATE
Le Eccellenze del Made in Italy, organized by Intermonte	**September 25, 2024**
IT Value-Added-Reseller (VAR) Day, organized by Kepler Cheuvreux	**October 8, 2024**
2024 ITALIAN EXCELLENCES Mid Corporate Conference, organized by Intesa Sanpaolo	**October 9, 2024**
Board of Directors Approval of the Additional Financial Information as at September 30, 2024	November 13, 2024

Thank you

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