

## Esprinet: 2016-18 Strategic Plan approved

### Main economic and financial targets

2018 Consolidated sales: € 3.75 billion (12% CAGR in 2015-18)

Gross profit: € 210 million (CAGR: +10%)

Operating income (EBIT): € 66 million (CAGR: +13%)

Net income: € 46 million (CAGR: +16%)

*In 2016 sales are expected at € 3.1 billion, gross profit € ~167 million,  
EBIT ~37 million, net profit € ~24 million*

**Vimercate (Monza Brianza), October 5<sup>th</sup> 2016** – The Board of Directors of Esprinet S.p.A. (Italian Stock Exchange: PRT) made public the main strategic guidelines and targets of Esprinet Group 2016-18 Strategic Plan together with a guidance for full 2016 fiscal year.

During 2016 fiscal year the Group completed two relevant acquisitions, EDSLan in Italy and Vinzeo in Spain, which are potentially eligible to leverage organic growth capabilities of the Group.

This year the Group expects total “as reported” consolidated sales of € 3.1 billion, gross profit is expected to stand at around € 167 million, EBIT at approximately € 37 million and net profit in the range of € 24 million.

2016-18 Strategic Plan is not only aimed at valuing acquired businesses, with regard to achieved relative market shares and synergies to be exploited with the rest of the Group, but also to capitalize its position as leader both in Italy and Spain and pursue initiatives oriented to enhance gross margins and stabilize SG&A dynamics.

### Main strategic guidelines

Geographic outreach shall be limited to those markets where the Group is already active: Italy, Spain and Portugal.

Possible expansion is not a priority and should be evaluated only opportunistically on amid-to-long time horizon.

The three-year plan is based on a number of different drivers according to different business segments and related action items:

#### **1. Traditional IT channels: (corporate resellers, SMBs, retailers): stabilize gross margins, increase customer loyalty**

Key actions are based on **improvement** of “as is” scope of activities and consist essentially in promoting new “vertical alliances”, the like of newly established “Assoteam”, in exploiting full potential of new web platform, in a more useful and proactive clustering of customer base through newly implemented CRM system, in pushing cash & carry channel and providing new ‘value added’ solutions to mass-merchandisers thanks to “Ok retail” division.

#### **2. Fulfillment consumer: Increase productivity in order to gain acceptable ROIC and free resources to re-direct towards more profitable segments**

Key actions are based on **expansion** and are represented by:

- research of higher efficiency in management and processing so as to integrate Group's value 'core' offering with an array of pure "logistic provider" low-margin services – concerning especially PCs, mobility devices and other consumer electronics products – so enjoying a ROIC revealing higher against cost of capital;
- pursuing growth rate in relatively less mature businesses like "datacenter" products (eg. server, storage, software, networking), auto-ID and video-surveillance as well as next generation technologies' based products (Information Security, MPS, Cloud, Big Data, Hyperconvergence) also thanks to EDSLan know-how in Italy and Vinzeo's one in Spain;
- in mostly focusing on high-margin product areas like mobility accessories (own brand 'Celly' and originals), IT components and office supplies, all of which currently commercialized but non exploited in a proper way.

### 3. Consumer "verticals"

Key initiatives are based on **real options** enjoying very high growth and value potential typically in the consume space (white goods, sport technology, IoT, etc.) and having significant possible returns on capital employed with an higher risk of execution due to a relative lack of experience and know by the Group vis-a-vis other competitors.

### Main 2018 financial targets

Initiatives to be implemented are driven by a number of financial targets underpinning strategic three-year plan:

- growth in sales at an average annual compounded rate of +12% in 2015-18 which would allow to reach a level of sales in 2018 worth of € 3.75 billion;
- growth in 2018 operating profitability (EBIT) to € 66 mln (1.8% on sales) due to (i) improvement in Gross Profit (€ 210 mln or 5.6% on sales) and (ii) to strict control on SG&A (€ 144 mln, CAGR capped to 9%);
- even higher improvement in 2018 net profit (€ 46 mln or 1.25% on sales) also thanks to favorable cash flow generation along the three-year period.

The present press release has been prepared pursuant to the Issuers' Regulations. It is available to the public on the Nis-Storage authorised storage mechanism ([www.emarketstorage.com](http://www.emarketstorage.com)) and on the Company's website ([www.esprinet.com](http://www.esprinet.com)) in the section "Investor Relations – Press Room".

The 2015-2018 Business Plan will be illustrated today, at 1.00 p.m. (CET), during a meeting with analysts and investors arranged by the "specialist" Banca IMI and during the STAR Conference arranged by Borsa Italiana which will be held in London on next October 6th 2016.

The related presentation will be available and downloadable on the aforesaid website, under the section "Investor Relations - Presentations" and on the Nis-Storage authorised storage mechanism ([www.emarketstorage.com](http://www.emarketstorage.com)).

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*Esprinet (Italian Stock Exchange: PRT) is engaged in the wholesale distribution of IT and consumer electronics in Italy and Spain, with ~40.000 resellers customers served and 600 brands supplied. Consolidated 2015 "pro-forma" sales of € 3.3 billion rank the Company no. 1 in Italy and Spain and no. 5 in Europe.*

