

**Esprinet: draft terms of merger wholly owned Mosaico and EDSLan and quarterly results as at 31 March 2018 approved**

**Buy-back program of up to 1.15 million own shares has been set-up**

**First quarter 2018 results:**

**Consolidated sales: € 781.3 million (+5% vs € 742.5 million as at first quarter 2017)**

**Gross profit: € 39.0 million (-1% vs € 39.5 million)**

**Operating income (EBIT): € 5.4 million (+13% vs € 4.8 million)**

**Net income: € 3.4 million (39% vs € 2.5 million)**

**Net financial position as at 31 March 2018 negative by € 137.4 million  
(vs Net financial position as at 31 December 2017 positive by € 122.9 million)**

**Vimercate (MB), May 14th 2018** - The Board of Directors of Esprinet S.p.A. (Borsa Italiana: PRT) met today under the chairmanship of Maurizio Rota to approve the draft terms of merger of totally owned EDSLan S.r.l. and Mosaico S.r.l..

The operation is a natural evolution of the process of integration of the commercial, administrative and financial activities of the three entities, given their complementarity, which is already in effect.

Being both merged companies wholly owned by Esprinet, it is not necessary to increase share capital thus implying that no exchange ratio has to be determined and no conditions for a cash payment to the shareholders exist.

Esprinet S.p.A. will not change its Company By-Laws following the merger.

Based on this assumption, the merger transaction is expected as of now in simplified form pursuant to the provisions of article 2505 of the Civil Code and, therefore, without exchange. For this reason, neither the report of the Administrative Bodies of the company participating in the merger (article 2501-quinquies of the Civil Code) nor the expert report on the adequacy of the swap ratio (article 2501-sexies of the Civil Code) are necessary.

Pursuant to the second paragraph of article 2501-quater of the Civil Code, the reference balance sheet is replaced: a) for the incorporating company Esprinet S.p.A. by the financial statements as at 31/12/2017 approved by the Shareholders' Meeting on 4 May 2018; b) for the merged company EDSLan S.r.l. and Mosaico S.r.l. by the financial statements as at 31/12/2017 approved by relevant Shareholders' Meeting on 17 April 2018.

The proposed merger transaction, as a transaction with a controlled company, with regard to which other related parties have no significant interests of, falls within the category of the so-called excluded transactions for which, in accordance with the cases and exemption faculties envisaged by the Regulation on transactions with related parties, the provisions of said Regulation do not apply, except for any disclosure obligations.

The merger will be submitted to the approval of the Board of Directors of Esprinet S.p.A., to be taken through a resolution resulting from a public deed, pursuant to article 2505, paragraph 2 of the Civil Code and the Articles of Association, without prejudice to the right of shareholders of Esprinet S.p.A. (as merging company) representing at least five percent of the share capital to make a request, pursuant to article 2505, third paragraph, of the Civil Code, addressed to Esprinet S.p.A. within eight days from the filing of the merger

project with Companies Registers of Milano, Monza and Lodi, that the decision regarding the merger is adopted by Esprinet through AGM resolution.

The merger will be effective from the first day of the month that follows the date in which the last filing under Art. 2504 of the Italian Civil Code is carried out.

However, the transactions carried out by EDSlan S.r.l. and Mosaico S.r.l. will be recognized in the financial statements of Esprinet S.p.A., solely for accounting and tax purposes and also pursuant to article 172 of the Consolidated Income Tax Act, starting from the first day of the current year upon the effective date of the merger.

The documentation relating to the merger will be made available to the public, as required by law, at the registered office, on the website [www.esprinet.com](http://www.esprinet.com) (section Investor Relations, Corporate Governance) and at the authorized storage mechanism [www.emarketstorage.it](http://www.emarketstorage.it)

It also approved the initiation of a share buy-back program in application of the authorization granted by the Shareholders' Meeting held on May 4<sup>th</sup>, 2018, which was simultaneously communicated to the market, so as to buy own shares that are needed to serve the 2018-20 "Performance Stock Grant" for board members and employees of Esprinet S.p.A. and its subsidiaries.

Pursuant to art. 144-bis of the Regulation adopted by Consob under resolution n. 11971/1999 ("Issuer Regulations"), the details of the buy-back program are hereby outlined.

*Minimum and maximum amounts and different ways according to which treasury shares have to be purchased*

The purchases shall be made in compliance with Article 144-bis of the Issuers Regulations as subsequently amended, with Regulation (EU) 596/2014 and Delegated Regulation (EU) 2016/1052, as well as applicable market practices in force (if applicable) and any subsequent applicable provisions in order to allow the equal treatment of shareholders as provided for in Article 132 of the TUF, through a takeover bid or exchange offer or on regulated markets, according to the operational procedures set out in the markets' rules of organisation and operation, which do not allow the direct matching of buying orders against predetermined selling orders. The maximum number of treasury shares to be purchased daily shall not be higher than 25% of the average daily volume of Esprinet's shares traded on the market.

Purchase price per share shall not be higher than the higher between the price of the last independent market trade and the highest current independent bid on the trading venues where the purchase is carried out, taken for granted that, in case of purchases carried out on regulated markets or from employees, purchases shall be concluded at share price of not more than 20% lower and not more than 20% higher with respect to the official price recorded by the Company's ordinary shares on the trading day which shall precede each purchase.

*Maximum number of Esprinet's shares to be purchased*

The buy-back program provides for a purchase, in one or more tranches, of up to a maximum of n. 1,150,000 ordinary shares (1.34 % of share capital) - fully paid and without indication of nominal value, thus considering those shares already held by the subsidiaries.

To date, Esprinet owns n. 646,889 shares (1.23% of share capital), whereas none of the subsidiaries currently owns treasury shares.

*Duration of the authorisation*

The authorization to buy treasury shares was established by the Board of Directors for a period of 18 months starting from May 4<sup>th</sup>, 2018 when the Shareholders' Meeting authorized the purchase of treasury shares. The disposal of treasury shares, to be performed in one or more tranches, does not carry any time-limit.

Pursuant to article 148 of the Legislative Decree 58/98 and the Corporate Governance Code, the Board of Directors also acknowledged the independence of the members of the Board of statutory auditors (namely the Chairman Bettina Solimando and the other two standing members Patrizia Paleologo Oriundi and Franco Aldo Abbate).

Finally the Board of Directors examined and approved Group's quarterly financial results for the period ending on 31 March 2018, prepared in accordance to IFRS.

In the first quarter of the current year the Italian Technology Distribution market grew +7% compared to the same period of the previous year (source: Context, April 2018).

Smartphones confirmed to be the trigger of the growth (+28% vs 1Q2017). Notebooks and Desktops were flat and the printing segment was -2% while the other categories grew between +5/+10%.

The best sales channel was the retailers' one due to the smartphones outstanding performance, notwithstanding the good result of business resellers particularly thanks to datacenter products results.

Spain grew +6% thanks to smartphones too (+15% vs 1Q2017) while datacenter products were -10%. PCs decreased by -2% while printers, conversely from Italy, grew by +4%.

In Spain too the best sales channel was the retailers' one, growing +15% while business resellers grew by +2%. Retailers showed a strong decrease in PC purchases (-11%), more than offsetted by larger volumes of smartphones (+53%). Conversely, PC sales grew in the business resellers' segment +7% while the channel performance was negatively influenced by datacenter products (-10%).

In the first quarter of 2018, the Esprinet Group mainly grew in the smartphones category with the Spanish activities outperforming the Italian ones in this segment. The share of PCs and printing decreased mainly due to the on-going decision to avoid certain unprofitable sales to retailers.

The gross margin was negatively influenced by the persistent margin pressure in PCs, smartphones and printing consumables, while datacenter products and peripherals showed an improvement against the previous year.

The higher weight of smartphones in the Group's sales mix generated the decrease of the percentage of gross margin while in absolute value the margin was -1%

The actions aimed at optimizing the cost structure, which were strongly accelerated in 2017 mainly in the personnel costs area, determined a significance reduction of labor costs (-5%).

Referring to the balance sheet, the Group is showing a level of stock not in line with internal targets mainly in the consumer products area where most of the efforts are placed in order to aligned the stock turns to Group standards.

In the short term the management believes that we should see a reduction of the fierce competitive pressure experienced in 2017.

The management confirms 2018 EBIT targets to be comprised between € 39-41 million, net of now unforeseen non-recurring items.

#### ***A) Esprinet Group's financial highlights***

The Group's main economic, financial and asset results as at 31 March 2018 are hereby summarised:

| (euro/000)                             | Q1             |                | Q1                |                | Var.          | Var. %     |
|--|----------------|----------------|-------------------|----------------|---------------|------------|
|  | 2018           | %              | 2017<br>restated* | %              |               |            |
| <b>Sales</b>                           | <b>781,274</b> | <b>100.00%</b> | <b>742,480</b>    | <b>100.00%</b> | <b>38,794</b> | <b>5%</b>  |
| Cost of sales                          | (742,322)      | -95.01%        | (702,945)         | -94.68%        | (39,377)      | 6%         |
| <b>Gross profit</b>                    | <b>38,952</b>  | <b>4.99%</b>   | <b>39,535</b>     | <b>5.32%</b>   | <b>(583)</b>  | <b>-1%</b> |
| Sales and marketing costs              | (13,390)       | -1.71%         | (14,376)          | -1.94%         | 986           | -7%        |
| Overheads and administrative costs     | (20,211)       | -2.59%         | (20,407)          | -2.75%         | 196           | -1%        |
| <b>Operating income (EBIT)</b>         | <b>5,351</b>   | <b>0.68%</b>   | <b>4,752</b>      | <b>0.64%</b>   | <b>599</b>    | <b>13%</b> |
| Finance costs - net                    | (708)          | -0.09%         | (1,432)           | -0.19%         | 724           | -51%       |
| Other investments expenses / (incomes) | -              | 0.00%          | (2)               | 0.00%          | 2             | -100%      |
| <b>Profit before income taxes</b>      | <b>4,643</b>   | <b>0.59%</b>   | <b>3,318</b>      | <b>0.45%</b>   | <b>1,325</b>  | <b>40%</b> |
| Income tax expenses                    | (1,230)        | -0.16%         | (862)             | -0.12%         | (368)         | 43%        |
| <b>Net income</b>                      | <b>3,413</b>   | <b>0.44%</b>   | <b>2,456</b>      | <b>0.33%</b>   | <b>957</b>    | <b>39%</b> |
| Earnings per share - basic (euro)      | 0.07           |                | 0.05              |                | 0.02          | 40%        |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

- **Consolidated sales**, equal to € 781.3 million showed an increase of +5% (€ 38.8 million) compared with € 742.5 million of the first quarter 2017;
- **Consolidated gross profit**, equal to € 39.0 million, showed a decrease of -1% (€ -0.6 million) compared with the same period of 2017 as a consequence of a worsening in the gross profit margin;
- **Consolidated operating income (EBIT)** in the first quarter 2018 totalled € 5.4 million, showing an increase in both absolute value (+13% equal to € +0.6 million) and in EBIT margin (0.68% against 0.64%) as a consequence of a decrease in the operating costs (€ -1.2 million with an EBIT margin equal to -3%);
- **Consolidated profit before income taxes** was equal to € 4.6 million, showing an increase of +40% compared with the first quarter 2017, thus further contributing to the positive change recorded in EBIT, due to an improvement of € 0.7 million in net financial charges, thanks substantially to both lower charges in the amortisation of bank fees relating to the medium-long term loans and to a positive change in foreign exchange management;
- **Consolidated net income** was equal to € 3.4 million, showing an increase of +39% (€ +1.0 million) compared with the first quarter 2017;
- **Basic earnings per ordinary share** as at 31 March 2018, equal to € 0.07, showed an increase of +40% compared with the value of first quarter 2017 (€ 0.05).

| (euro/000)   | 31/03/2018     | %              | 31/12/2017<br>restated* | %              | Var.           | Var. %      |
|--|----------------|----------------|-------------------------|----------------|----------------|-------------|
| Fixed assets   | 118,928        | 24.82%         | 122,403                 | 56.93%         | (3,474)        | -3%         |
| Operating net working capital                          | 387,171        | 80.80%         | 104,175                 | 48.46%         | 282,996        | 272%        |
| Other current assets/liabilities                       | (12,629)       | -2.64%         | 2,818                   | 1.31%          | (15,448)       | -548%       |
| Other non-current assets/liabilities                   | (14,323)       | -2.99%         | (14,406)                | -6.70%         | 83             | -1%         |
| <b>Total uses</b>                                      | <b>479,147</b> | <b>100.00%</b> | <b>214,990</b>          | <b>100.00%</b> | <b>264,157</b> | <b>123%</b> |
| Short-term financial liabilities                       | 231,795        | 48.38%         | 156,006                 | 72.56%         | 75,789         | 49%         |
| Current financial (assets)/liabilities for derivatives | 493            | 0.10%          | 663                     | 0.31%          | (170)          | -26%        |
| Financial receivables from factoring companies         | (13,130)       | -2.74%         | (1,534)                 | -0.71%         | (11,596)       | 756%        |
| Current debts for investments in subsidiaries          | -              | 0.00%          | -                       | 0.00%          | -              | N.S.        |
| Other current financial receivables                    | (3,428)        | -0.72%         | (508)                   | -0.24%         | (2,921)        | 575%        |
| Cash and cash equivalents                              | (96,483)       | -20.14%        | (296,969)               | -138.13%       | 200,486        | -68%        |
| Net current financial debt                             | 119,247        | 24.89%         | (142,342)               | -66.21%        | 261,588        | -184%       |
| Borrowings   | 18,262         | 3.81%          | 19,999                  | 9.30%          | (1,737)        | -9%         |
| Non-current debts for investments in subsidiaries      | 1,317          | 0.27%          | 1,311                   | 0.61%          | 6              | 0%          |
| Non-current financial (assets)/liab. for derivatives   | (14)           | 0.00%          | (36)                    | -0.02%         | 22             | -61%        |
| Other non-current financial receivables                | (1,427)        | -0.30%         | (1,863)                 | -0.87%         | 437            | -23%        |
| Net financial debt (A)                                 | 137,385        | 28.67%         | (122,931)               | -57.18%        | 260,316        | -212%       |
| Net equity (B)   | 341,762        | 71.33%         | 337,921                 | 157.18%        | 3,841          | 1%          |
| <b>Total sources of funds (C=A+B)</b>                  | <b>479,147</b> | <b>100.00%</b> | <b>214,990</b>          | <b>100.00%</b> | <b>264,157</b> | <b>123%</b> |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

- **Operating net working capital** as at 31 March 2018 was equal to € 387.2 million compared with € 104.2 million as at 31 December 2017;
- **Consolidated net financial position** as at 31 March 2018, was negative by € 137.4 million, compared with a cash surplus of € 122.9 million as at 31 December 2017.

The worsening of the spot net financial position as at period end was mainly due to the performance of consolidated net working capital as at 31 March 2018 which in turn was influenced by technical events often not related to the average level of working capital and by the level of utilisation both 'without - recourse' factoring programs referring to the trade receivables and of the corresponding securization programme.

This program is aimed at transferring risks and rewards to the buyer, thus receivables sold are eliminated from balance sheet according to IAS 39.

Taking into account other technical forms of cash advances other than 'without-recourse' assignment, but showing the same effects - such as 'confirming' used in Spain -, the overall impact on financial debt at 31 March 2018 was approx. € 255 million (approx. € 424 million as at 31 December 2017);

- **Consolidated net equity** as at 31 March 2018 equal to € 341.8 million, showed an increase of € 3.8 million compared with € 337.9 million as at 31 December 2017.

## ***B) Financial highlights by geographical area***

### ***B.1) Subgroup Italy***

The main earnings, financial and net assets position for the Italian subgroup (Esprinet, V-Valley, EDSLan, Mosaico, Nilox Deutschland and Celly Group) as at 31 March 2018 are hereby summarised:

| (euro/000)                         | Q1<br>2018     | %            | Q1<br>2017<br>restated* | %            | Var.          | Var. %     |
|------------------------------------|----------------|--------------|-------------------------|--------------|---------------|------------|
| Sales to third parties             | 523,063        |              | 491,509                 |              | 31,554        | 6%         |
| Intercompany sales                 | 12,466         |              | 12,465                  |              | 1             | 0%         |
| <b>Sales</b>                       | <b>535,529</b> |              | <b>503,974</b>          |              | <b>31,555</b> | <b>6%</b>  |
| Cost of sales                      | (506,798)      | -94.64%      | (474,296)               | -88.57%      | (32,502)      | 7%         |
| <b>Gross profit</b>                | <b>28,731</b>  | <b>5.36%</b> | <b>29,678</b>           | <b>5.89%</b> | <b>(947)</b>  | <b>-3%</b> |
| Sales and marketing costs          | (10,370)       | -1.94%       | (11,651)                | -2.31%       | 1,281         | -11%       |
| Overheads and administrative costs | (15,334)       | -2.86%       | (15,014)                | -2.98%       | (320)         | 2%         |
| <b>Operating income (EBIT)</b>     | <b>3,027</b>   | <b>0.57%</b> | <b>3,013</b>            | <b>0.60%</b> | <b>14</b>     | <b>0%</b>  |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

- **Sales**, totalled € 535.5 million and showed an increase of +6% compared with € 504.0 million of the first quarter 2017;
- **Gross profit** was equal to € 28.7 million showing a decrease of -3% compared with € 29.7 million of the first quarter 2017, due to a gross profit margin decrease (from 5.89% of the first quarter 2017 to 5.36% of the first quarter 2018);
- **Operating income (EBIT)** was € 3.0 million, in line with the same period of 2017 notwithstanding a lower EBIT margin as a consequence of a strong reduction in the operating costs (€ -1.0 million or -3.6%).

| (euro/000)   | 31/03/2018     | %              | 31/12/2017<br>restated* | %              | Var.           | Var. %      |
|--|----------------|----------------|-------------------------|----------------|----------------|-------------|
| Fixed assets   | 113,973        | 29.51%         | 117,075                 | 64.94%         | (3,101)        | -3%         |
| Operating net working capital                          | 282,746        | 73.21%         | 55,494                  | 30.78%         | 227,252        | 410%        |
| Other current assets/liabilities                       | (823)          | -0.21%         | 17,559                  | 9.74%          | (18,383)       | -105%       |
| Other non-current assets/liabilities                   | (9,676)        | -2.51%         | (9,857)                 | -5.47%         | 181            | -2%         |
| <b>Total uses</b>                                      | <b>386,220</b> | <b>100.00%</b> | <b>180,271</b>          | <b>100.00%</b> | <b>205,949</b> | <b>114%</b> |
| Short-term financial liabilities                       | 227,564        | 58.92%         | 150,410                 | 83.44%         | 77,154         | 51%         |
| Current financial (assets)/liabilities for derivatives | 493            | 0.13%          | 644                     | 0.36%          | (151)          | -23%        |
| Financial receivables from factoring companies         | (13,130)       | -3.40%         | (1,534)                 | -0.85%         | (11,596)       | 756%        |
| Financial (assets)/liab. from/to Group companies       | (102,500)      | -26.54%        | (112,500)               | -62.41%        | 10,000         | -9%         |
| Other financial receivables                            | (3,428)        | -0.89%         | (508)                   | -0.28%         | (2,921)        | 575%        |
| Cash and cash equivalents                              | (52,364)       | -13.56%        | (184,912)               | -102.57%       | 132,548        | -72%        |
| Net current financial debt                             | 56,634         | 14.66%         | (148,400)               | -82.32%        | 205,033        | -138%       |
| Borrowings   | 16,498         | 4.27%          | 18,235                  | 10.12%         | (1,737)        | -10%        |
| Non-current debts for investments in subsidiaries      | 1,317          | 0.34%          | 1,311                   | 0.73%          | 6              | 0%          |
| Other financial receivables                            | (1,427)        | -0.37%         | (1,863)                 | -1.03%         | 437            | -23%        |
| Net Financial debt (A)                                 | 73,022         | 18.91%         | (130,717)               | -72.51%        | 203,739        | -156%       |
| Net equity (B)   | 313,198        | 81.09%         | 310,988                 | 172.51%        | 2,210          | 1%          |
| <b>Total sources of funds (C=A+B)</b>                  | <b>386,220</b> | <b>100.00%</b> | <b>180,271</b>          | <b>100.00%</b> | <b>205,949</b> | <b>114%</b> |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

- **Operating net working capital** as at 31 March 2018 was equal to € 282.7 million compared with € 55.5 million as at 31 December 2017;
- **Net financial position** as at 31 March 2018, was negative by € 73.0 million, compared with a cash surplus equal to € 130.7 million as at 31 December 2017. The impact of both 'without-recourse' sale and securitization

programmes of trade receivables as at 31 March 2018 was approx. € 100 million (approx. € 184 million as 31 December 2017).

## B.2) Subgroup Iberica

The main earnings, financial and net assets position for the Subgroup Iberica (Esprinet Iberica, Esprinet Portugal, Tapes, Vinzeo Technologies and V-Valley Iberian) as at 31 March 2018 are hereby summarised:

| (euro/000)                         | Q1<br>2018     | %            | Q1<br>2017<br>restated* | %            | Var.         | Var. %     |
|------------------------------------|----------------|--------------|-------------------------|--------------|--------------|------------|
| Sales to third parties             | 258,211        |              | 250,971                 |              | 7,240        | 3%         |
| Intercompany sales                 | -              |              | -                       |              | -            | 100%       |
| <b>Sales</b>                       | <b>258,211</b> |              | <b>250,971</b>          |              | <b>7,240</b> | <b>3%</b>  |
| Cost of sales                      | (248,058)      | -96.07%      | (241,104)               | -96.07%      | (6,954)      | 3%         |
| <b>Gross profit</b>                | <b>10,153</b>  | <b>3.93%</b> | <b>9,867</b>            | <b>3.93%</b> | <b>286</b>   | <b>3%</b>  |
| Sales and marketing costs          | (3,021)        | -1.17%       | (2,714)                 | -1.08%       | (307)        | 11%        |
| Overheads and administrative costs | (4,880)        | -1.89%       | (5,409)                 | -2.16%       | 529          | -10%       |
| <b>Operating income (EBIT)</b>     | <b>2,252</b>   | <b>0.87%</b> | <b>1,744</b>            | <b>0.69%</b> | <b>508</b>   | <b>29%</b> |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

- **Sales** were equal to € 258.2 million, showing an increase of +3% compared with € 251.0 million of the first quarter 2017;
- **Gross profit** as at 31 March 2018 totalled € 10.2 million, showing an increase of +3% compared with € 9.9 million of the same period of 2017 with a gross profit margin unchanged (3.93%);
- **Operating income (EBIT)** equal to € 2.3 million increased by € 0.5 million compared to the first quarter 2017, with an EBIT margin up to 0.87% from 0.69% of the same period of previous year, as a consequence of the combined effect of a higher EBIT margin and a slight reduction in the operating costs.

| (euro/000)   | 31/03/2018     | %              | 31/12/2017     | %              | Var.          | Var. %     |
|--|----------------|----------------|----------------|----------------|---------------|------------|
| Fixed assets   | 79,725         | 47.44%         | 80,051         | 72.87%         | (326)         | 0%         |
| Operating net working capital                          | 104,774        | 62.35%         | 49,102         | 44.69%         | 55,672        | 113%       |
| Other current assets/liabilities                       | (11,806)       | -7.03%         | (14,742)       | -13.42%        | 2,936         | -20%       |
| Other non-current assets/liabilities                   | (4,648)        | -2.77%         | (4,549)        | -4.14%         | (99)          | 2%         |
| <b>Total uses</b>                                      | <b>168,045</b> | <b>100.00%</b> | <b>109,862</b> | <b>100.00%</b> | <b>58,183</b> | <b>53%</b> |
| Short-term financial liabilities                       | 4,231          | 2.52%          | 5,596          | 5.09%          | (1,365)       | -24%       |
| Current financial (assets)/liabilities for derivatives | -              | 0.00%          | 19             | 0.02%          | (19)          | -100%      |
| Financial (assets)/liab. from/to Group companies       | 102,500        | 61.00%         | 112,500        | 102.40%        | (10,000)      | -9%        |
| Cash and cash equivalents                              | (44,119)       | -26.25%        | (112,057)      | -102.00%       | 67,938        | -61%       |
| Net current financial debt                             | 62,612         | 37.26%         | 6,058          | 5.51%          | 56,554        | 934%       |
| Borrowings   | 1,764          | 1.05%          | 1,764          | 1.61%          | -             | 0%         |
| Non-current financial (assets)/liab. for derivatives   | (14)           | -0.01%         | (36)           | -0.03%         | 22            | -61%       |
| Net Financial debt (A)                                 | 64,362         | 38.30%         | 7,786          | 7.09%          | 56,576        | 727%       |
| Net equity (B)   | 103,683        | 61.70%         | 102,076        | 92.91%         | 1,607         | 2%         |
| <b>Total sources of funds (C=A+B)</b>                  | <b>168,045</b> | <b>100.00%</b> | <b>109,862</b> | <b>100.00%</b> | <b>58,183</b> | <b>53%</b> |

- **Operating net working capital** as at 31 March 2018 was equal to € 104.8 million compared with € 49.1 million as at 31 December 2017;

- **Net financial position** as at 31 March 2018, was negative by € 64.4 million, compared with a negative financial position of € 7.80 million as at 31 December 2017. The impact of both 'without-recourse' sale and receivable financing programmes was approx. € 155 million (approx. € 240 million as at 31 December 2017).

### C) Separate income statement by legal entity

Find below the separate income statement showing the contribution of each legal entities as considered significant.<sup>1</sup>

| (euro/000)   | Q1 2018                       |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 |                | Group |
|--|-------------------------------|---------------|---------------|---------------|-----------------|----------------|-------------------|-------------------|------------------|----------------|-----------------|----------------|-----------------|----------------|-------|
|  | Italy                         |               |               |               |                 |                | Iberian Peninsula |                   |                  |                |                 |                | Elim. and other |                |       |
|  | E.Spa + V-Valley + Nilox GmbH | Mosaico       | Celly**       | EDSIan        | Elim. and other | Total          | Esprinet Iberian  | Esprinet Portugal | V-Valley Iberian | Vinzeo + Tape  | Elim. and other | Total          |                 |                |       |
| Sales to third parties                               | 503,892                       | 9,564         | 4,843         | 4,764         | -               | 523,063        | 131,274           | 6,737             | 1,917            | 118,283        | -               | 258,211        | -               | 781,274        |       |
| Intersegment sales                                   | 13,046                        | 2,193         | 943           | 8,094         | (11,810)        | 12,466         | 5,080             | -                 | 41               | 609            | (5,730)         | -              | (12,466)        | -              |       |
| <b>Sales</b>   | <b>516,938</b>                | <b>11,757</b> | <b>5,786</b>  | <b>12,858</b> | <b>(11,810)</b> | <b>535,529</b> | <b>136,354</b>    | <b>6,737</b>      | <b>1,958</b>     | <b>118,892</b> | <b>(5,730)</b>  | <b>258,211</b> | <b>(12,466)</b> | <b>781,274</b> |       |
| Cost of sales  | (492,673)                     | (10,800)      | (3,184)       | (11,963)      | 11,822          | (506,798)      | (130,982)         | (6,540)           | (1,721)          | (114,536)      | 5,721           | (248,058)      | 12,534          | (742,322)      |       |
| <b>Gross profit</b>                                  | <b>24,265</b>                 | <b>957</b>    | <b>2,602</b>  | <b>895</b>    | <b>12</b>       | <b>28,731</b>  | <b>5,372</b>      | <b>197</b>        | <b>237</b>       | <b>4,356</b>   | <b>(9)</b>      | <b>10,153</b>  | <b>68</b>       | <b>38,952</b>  |       |
| <i>Gross Profit %</i>                                | <i>4.69%</i>                  | <i>8.14%</i>  | <i>44.97%</i> | <i>6.96%</i>  | <i>-0.10%</i>   | <i>5.36%</i>   | <i>3.94%</i>      | <i>2.92%</i>      | <i>12.10%</i>    | <i>3.66%</i>   |                 | <i>3.93%</i>   |                 | <i>4.99%</i>   |       |
| Sales and marketing costs                            | (7,934)                       | (409)         | (1,725)       | (303)         | 1               | (10,370)       | (1,445)           | (110)             | (292)            | (1,177)        | 3               | (3,021)        | 1               | (13,390)       |       |
| Overheads and admin. costs                           | (14,146)                      | (233)         | (753)         | (202)         | -               | (15,334)       | (3,170)           | (172)             | (114)            | (1,429)        | 5               | (4,880)        | 3               | (20,211)       |       |
| <b>Operating income (Ebit)</b>                       | <b>2,185</b>                  | <b>315</b>    | <b>124</b>    | <b>390</b>    | <b>13</b>       | <b>3,027</b>   | <b>757</b>        | <b>(85)</b>       | <b>(169)</b>     | <b>1,750</b>   | <b>(1)</b>      | <b>2,252</b>   | <b>72</b>       | <b>5,351</b>   |       |
| <i>EBIT %</i>  | <i>0.42%</i>                  | <i>2.68%</i>  | <i>2.14%</i>  | <i>3.03%</i>  | <i>-0.11%</i>   | <i>0.57%</i>   | <i>0.56%</i>      | <i>-1.26%</i>     | <i>-8.63%</i>    | <i>1.47%</i>   |                 | <i>0.87%</i>   |                 | <i>0.68%</i>   |       |
| Finance costs - net                                  |                               |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | (708)          |       |
| Share of profits of associates                       |                               |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | -              |       |
| <b>Profit before income tax</b>                      |                               |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | <b>4,643</b>   |       |
| Income tax expenses                                  |                               |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | (1,230)        |       |
| <b>Net income</b>                                    |                               |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | <b>3,413</b>   |       |
| - of which attributable to non-controlling interests |                               |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | 40             |       |
| - of which attributable to Group                     |                               |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | 3,373          |       |

| (euro/000)   | Q1 2017 restated* |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 |                | Group |
|--|-------------------|---------------|---------------|---------------|-----------------|----------------|-------------------|-------------------|------------------|----------------|-----------------|----------------|-----------------|----------------|-------|
|  | Italy             |               |               |               |                 |                | Iberian Peninsula |                   |                  |                |                 |                | Elim. and other |                |       |
|  | E.Spa + V-Valley  | Mosaico       | Celly**       | EDSIan        | Elim. and other | Total          | Esprinet Iberica  | Esprinet Portugal | V-Valley Iberian | Vinzeo + Tape  | Elim. and other | Total          |                 |                |       |
| Sales to third parties                               | 459,816           | 10,910        | 5,959         | 14,824        | -               | 491,509        | 141,955           | 6,886             | 1,499            | 100,679        | -               | 251,019        | -               | 742,480        |       |
| Intersegment sales                                   | 16,495            | 66            | 113           | 552           | (4,761)         | 12,465         | 4,994             | 5                 | -                | 910            | (5,910)         | -              | (12,465)        | -              |       |
| <b>Sales</b>   | <b>476,311</b>    | <b>10,976</b> | <b>6,072</b>  | <b>15,376</b> | <b>(4,761)</b>  | <b>503,974</b> | <b>146,949</b>    | <b>6,891</b>      | <b>1,499</b>     | <b>101,589</b> | <b>(5,910)</b>  | <b>251,019</b> | <b>(12,465)</b> | <b>742,480</b> |       |
| Cost of sales  | (452,118)         | (9,918)       | (3,356)       | (13,691)      | 4,787           | (474,296)      | (140,684)         | (6,699)           | (1,338)          | (98,294)       | 5,911           | (241,104)      | 12,455          | (702,945)      |       |
| <b>Gross profit</b>                                  | <b>24,193</b>     | <b>1,058</b>  | <b>2,716</b>  | <b>1,685</b>  | <b>26</b>       | <b>29,678</b>  | <b>6,265</b>      | <b>192</b>        | <b>161</b>       | <b>3,295</b>   | <b>1</b>        | <b>9,915</b>   | <b>(10)</b>     | <b>39,535</b>  |       |
| <i>Gross Profit %</i>                                | <i>5.08%</i>      | <i>9.64%</i>  | <i>44.73%</i> | <i>10.96%</i> | <i>-0.55%</i>   | <i>5.89%</i>   | <i>4.26%</i>      | <i>2.79%</i>      | <i>10.74%</i>    | <i>3.24%</i>   |                 | <i>3.95%</i>   |                 | <i>5.32%</i>   |       |
| Sales and marketing costs                            | (7,654)           | (288)         | (2,419)       | (1,295)       | 5               | (11,651)       | (1,516)           | (82)              | (247)            | (869)          | -               | (2,714)        | (11)            | (14,376)       |       |
| Overheads and admin. costs                           | (12,999)          | (174)         | (828)         | (1,014)       | 1               | (15,014)       | (3,670)           | (147)             | (69)             | (1,521)        | (2)             | (5,409)        | 16              | (20,407)       |       |
| <b>Operating income (Ebit)</b>                       | <b>3,540</b>      | <b>596</b>    | <b>(531)</b>  | <b>(624)</b>  | <b>32</b>       | <b>3,013</b>   | <b>1,079</b>      | <b>(37)</b>       | <b>(155)</b>     | <b>905</b>     | <b>(1)</b>      | <b>1,792</b>   | <b>(5)</b>      | <b>4,752</b>   |       |
| <i>EBIT %</i>  | <i>0.74%</i>      | <i>5.43%</i>  | <i>-8.75%</i> | <i>-4.06%</i> | <i>-0.67%</i>   | <i>0.60%</i>   | <i>0.73%</i>      | <i>-0.54%</i>     | <i>-10.34%</i>   | <i>0.89%</i>   |                 | <i>0.71%</i>   |                 | <i>0.64%</i>   |       |
| Finance costs - net                                  |                   |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | (1,432)        |       |
| Share of profits of associates                       |                   |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | (2)            |       |
| <b>Profit before income tax</b>                      |                   |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | <b>3,318</b>   |       |
| Income tax expenses                                  |                   |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | (862)          |       |
| <b>Net income</b>                                    |                   |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | <b>2,456</b>   |       |
| - of which attributable to non-controlling interests |                   |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | (75)           |       |
| - of which attributable to Group                     |                   |               |               |               |                 |                |                   |                   |                  |                |                 |                |                 | 2,531          |       |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

\*\* Consisting of Celly S.p.A., Celly Nordic OY, Celly Swiss S.a.g.l. and Celly Pacific Limited.

### D) Reclassified income statement by legal entity

<sup>1</sup> V-Valley S.r.l., (since is a mere 'commission sales agent' of Esprinet S.p.A.), Tape S.L.U. and Nilox Deutschland GmbH (since both not significant) are not shown separately.

Please find below the consolidated income statement showing the restatement of charges attributable to the without-recourse revolving factoring in the period under the item finance costs (both factoring and securitisation):

| (euro/000)                         | Q1             |                | Q1                   |                | Var.           | Var. %      |
|------------------------------------|----------------|----------------|----------------------|----------------|----------------|-------------|
|                                    | 2018           | %              | 2018<br>riclassified | %              |                |             |
| <b>Sales</b>                       | <b>781,274</b> | <b>100.00%</b> | <b>781,274</b>       | <b>100.00%</b> | <b>0</b>       | <b>0%</b>   |
| Cost of sales                      | (742,322)      | -95.01%        | (741,090)            | -94.86%        | (1,232)        | 0%          |
| <b>Gross Profit</b>                | <b>38,952</b>  | <b>4.99%</b>   | <b>40,184</b>        | <b>5.14%</b>   | <b>(1,232)</b> | <b>-3%</b>  |
| Sales and marketing costs          | (13,390)       | -1.71%         | (13,390)             | -1.71%         | 0              | 0%          |
| Overheads and administrative costs | (20,211)       | -2.59%         | (20,211)             | -2.59%         | 0              | 0%          |
| <b>Operating income (EBIT)</b>     | <b>5,351</b>   | <b>0.68%</b>   | <b>6,583</b>         | <b>0.84%</b>   | <b>(1,232)</b> | <b>-19%</b> |
| Finance costs - net                | (708)          | -0.09%         | (1,940)              | -0.25%         | 1,232          | -64%        |
| <b>Profit before income taxes</b>  | <b>4,643</b>   | <b>0.59%</b>   | <b>4,643</b>         | <b>0.59%</b>   | <b>0</b>       | <b>0%</b>   |
| Income tax expenses                | (1,230)        | -0.16%         | (1,230)              | -0.16%         | 0              | 0%          |
| <b>Net income</b>                  | <b>3,413</b>   | <b>0.44%</b>   | <b>3,413</b>         | <b>0.44%</b>   | <b>0</b>       | <b>0%</b>   |

#### *E) Significant events occurring in the period*

The significant events that occurred during the period are briefly described as follows:

##### **Developments in tax disputes**

On 10 January 2018, the Provincial Tax Commission issued a judgement referring to indirect taxes relating to an assessment claiming VAT of € 1.0 million (plus penalties and interest) from Esprinet S.p.A.. The tax authority claims that some 2011 transactions were taxable in respect of which a customer company had previously filed a declaration of intent, but later, subsequent to a tax audit, failed to fulfil the requirements needed to qualify as a frequent exporter.

Pursuant to the administrative procedure, as at 31 March 2018, advances equal to € 0.4 million were paid and were booked under 'Other tax assets', and on 23 February 2018 a further advance for € 1.5 million was paid and booked under 'Other tax assets'.

On 12 January 2018, Celly S.p.A. paid € 4 thousand for higher registration tax and interest claimed against Rosso Garibaldi S.p.A. upon its acquisition of a business unit from Celly S.p.A. in 2015.

The payment was effected by Celly S.p.A. in lieu of Rosso Garibaldi S.p.A. because the latter was declared bankrupt in December 2017 and Celly was jointly liable for the amount claimed by the Tax Office pursuant to Law.

On 24 January 2018, Edslan S.r.l. appealed against a correction and settlement notice of € 180 thousand (plus penalties and interest), that was received in July 2017 and related to the reassessment of the business unit acquired on April 2016 from Edslan S.p.A. (now I-Trading S.r.l.).

On 16 June 2017, the Revenue Office invited Mosaico S.r.l. to appear in order to initiate adversarial proceedings and find any settlement for the assessment relating to the acquisition agreement (signed on 13 December 2016) of a business unit from Itway S.p.A..

During the meeting with the Tax Office, the Company pointed out that the price was not final since price adjustments are expected by the first months of 2018.

On 26 January 2018, a summary agreement was signed on price of the sold company, pending the Revenue Office judgements.

On 23 March 2018, the Regional Tax Commission issued a judgement that upheld the Esprinet's appeal against the first instance judgement by the Provincial Tax Commission on the matter of the assessment notice served on 29 December 2015, which provided for the collection of VAT, equal to € 2.8 million (plus penalties

and interest), on taxable transactions entered into in 2010 with a customer company that had presented fraudulent declarations as regards its status of frequent exporter.

### **F) Subsequent events**

Relevant events occurred after period end are briefly described below:

#### **Esprinet S.p.A. Annual Shareholders Meeting**

On 4 May 2018, Esprinet Shareholders' Meeting approved the separate financial statements for the fiscal year ended at 31 December 2017 and the distribution of a dividend of € 0.135 per ordinary share, corresponding to a pay-out ratio of 27%.<sup>2</sup>

The dividend payment was scheduled from 16 May 2018, with issue of coupon no.13 on 14 May 2018 and record date on 15 May 2018.

Following the expiry of previous term of office, the Shareholder's Meeting appointed the new Board of Directors and the Board of Statutory Auditors which will remain in office until approval of the financial statements for the 2020 fiscal year.

The new Board is made up as follows: Francesco Maurizio Rota (Chairman), Alessandro Cattani, Valerio Casari, Marco Monti, Tommaso Stefanelli, Matteo Stefanelli, Mario Massari, Renata Maria Ricotti, Cristina Galbusera, Chiara Mauri, Emanuela Prandelli and Ariela Caglio.

The new Board of Statutory Auditors is made up as follows: Bettina Solimando (Chairman), Patrizia Paleologo Oriundi (standing statutory auditor), Franco Aldo Abbate (standing statutory auditor), Antonella Koenig (alternate statutory auditor) and Mario Conti (alternate statutory auditor).

The Annual Shareholders' Meeting has also:

- approved the first section of the Report on Remuneration under Art.123 - ter, paragraph 6 of the Legislative Decree 58/1998;
- resolved to authorize the acquisition and disposal of own shares, within 18 months from the resolution date, up to 2,620,217 ordinary shares (5% of the Company's share capital), simultaneously revoking the former authorization resolved by the Shareholder's Meeting on 4 May 2017 with respect to the unused portion;
- approved a Long Term Incentive Plan, in relation to remuneration policies and in accordance with article 114-bis of legislative decree 58/1998, for the members of the Company's Board of Directors and other executives for the period 2018/2019/2020. The object of the plan is the free allocation of ordinary shares in the Company ('performance stock grant') to beneficiaries designated by the Board of Directors, up to a maximum of 1,150,000 Company's shares;
- authorized the Company to update the financial conditions of the statutory auditors engagement granted to EY S.p.A. within the measure of (i) € 32,110 for the financial years 2017 and 2018 each, for recurring additional activities concerning the consolidated financial statements and of (ii) € 22,500 only for the financial year 2017 for activities relating to the first-time adoption of the new accounting standard IFRS 15.

#### **Grant of waiver and renegotiation of covenant of the 5-year senior loan**

The Group financing structure includes a medium/long-term senior loan granted to Esprinet S.p.A. in February 2017 by a pool of banks, consisting of a 5-year amortised facility in the original amount of € 145.0 million and a 5-year revolving facility for € 65.0 million, both including covenants.

As at 31 December 2017, 3 out of 4 covenants were met while the remaining one was breached.

Thus, pursuant to the accounting standards in force, the entire outstanding amount of the amortised facility - as well as the liability from the 'fair value' of 'IRS-Interest Rate Swap' contracts signed to hedge the loan

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<sup>2</sup> Based on Esprinet Group's consolidated net profit

interest rate risk - were booked under the current financial liabilities. Their classification is unchanged at 31 March 2018.

On 30 April 2018, Esprinet S.p.A. reached an agreement with the pool of lending banks to get a waiver in relation to the breached covenant, under which the banks waived to exercise their rights arising from said breach.

Later, on 2 May 2018 an agreement was reached to renegotiate the design of these covenants, that now provide for higher thresholds till 2021, in order to give the Group more flexibility to reach its development targets.

#### **Approval of the draft terms of merger of Edslan S.r.l. and Mosaico S.r.l. into Esprinet S.p.A..**

On 14 May 2017 the draft terms of merger of the subsidiaries Edslan S.r.l. and Mosaico S.r.l. into Esprinet S.p.A. were approved. The merger is to be effected by year end, with retrospective accounting and tax effects from 1st January 2018, being a transaction among subsidiaries wholly-controlled by the Parent company.

This transaction forms part of process aimed at maximising synergies from the acquisition transactions carried out in 2016 through the above-mentioned subsidiaries, from distribution activities in the market segments of networking, cabling, VoIP and UCC-Unified Communication as regards EDSLan S.r.l., and ICT Security, Enterprise Software, Virtualisation and OpenSource/Linux solutions as regards Mosaico S.r.l..

This process began with the signing of two different business lease agreements by the merging and the merged companies, on 26 January 2018 with EDSLan S.r.l. and on 26 March 2018 with Mosaico S.r.l., respectively, under which from 1st February 2018 and 1st April 2018 respectively Esprinet S.p.A. has managed their business and has replaced them in all legal relationships existing with customers and suppliers, except for receivables and payables outstanding at the signing date of these agreements, that shall be retained by the subsidiaries until the merger date.

**DECLARATION EX ART. 154-bis, paragraph 2 Legislative Decree n.58/1998 (T.U.F.)**

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 Article 154 bis of Legislative Decree n.58/1998 (T.U.F.), the financial data shown in this press release corresponds to the findings resulting from accounting documents, books and accounting records.

*Annex: Summary of economic and financial results as at March 2018.*

For further information:

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**Esprinet (based in Vimercate Italy; Borsa Italiana: PRT)**, is the holding of a Group engaged in the “B2B” distribution of technology products at the top of the market in Italy and Spain. The 2017 turnover of € 3.2 billion places Esprinet among the top 50 Italian industrial groups and the top 10 distributors worldwide. Thanks to a business model based on the coexistence of different sales channels tailored to the specific characteristics of 36.000 reseller clients, Esprinet markets about 700 brands and over 57,000 products available in 130,000 square meters of managed warehouses. Through the V-Valley division, Esprinet is able to distribute value-added products, services and IT solutions. The Group’s activities also cover Portugal, and the production and sales of the named brands “Celly” (smartphones accessories) and “Nilox” (outdoor technology).

## Summary of main Group's results

| (euro/000)                               | notes | Q1<br>2018 | %      | Q1<br>2017restated* | notes | %      | % var.<br>18/17 |
|--|-------|------------|--------|---------------------|-------|--------|-----------------|
| <b>Profit &amp; Loss</b>                 |       |            |        |                     |       |        |                 |
| Sales                                    |       | 781,274    | 100.0% | 742,480             |       | 100.0% | 5%              |
| Gross profit                             |       | 38,952     | 5.0%   | 39,535              |       | 5.3%   | -1%             |
| EBITDA                                   | (1)   | 6,571      | 0.8%   | 5,917               |       | 0.8%   | 11%             |
| Operating income (EBIT)                  |       | 5,351      | 0.7%   | 4,752               |       | 0.6%   | 13%             |
| Profit before income tax                 |       | 4,643      | 0.6%   | 3,318               |       | 0.4%   | 40%             |
| Net income                               |       | 3,413      | 0.4%   | 2,456               |       | 0.3%   | 39%             |
| <b>Financial data</b>                    |       |            |        |                     |       |        |                 |
| Cash flow                                | (2)   | 4,580      |        | 3,578               |       |        |                 |
| Gross investments                        |       | 570        |        | 828                 |       |        |                 |
| Net working capital                      | (3)   | 374,542    |        | 106,823             | (10)  |        |                 |
| Operating net working capital            | (4)   | 387,171    |        | 104,175             | (10)  |        |                 |
| Fixed assets                             | (5)   | 118,928    |        | 122,403             | (10)  |        |                 |
| Net capital employed                     | (6)   | 479,147    |        | 214,818             | (10)  |        |                 |
| Net equity                               |       | 341,762    |        | 337,921             | (10)  |        |                 |
| Tangible net equity                      | (7)   | 250,175    |        | 246,522             | (10)  |        |                 |
| Net financial debt                       | (8)   | 137,385    |        | (122,931)           | (10)  |        |                 |
| <b>Main indicators</b>                   |       |            |        |                     |       |        |                 |
| Net financial debt / Net equity          |       | 0.4        |        | (0.4)               | (10)  |        |                 |
| Net financial debt / Tangible net equity |       | 0.5        |        | (0.5)               | (10)  |        |                 |
| EBIT / Finance costs - net               |       | 7.6        |        | 3.3                 |       |        |                 |
| EBITDA / Finance costs - net             |       | 9.3        |        | 4.1                 |       |        |                 |
| Net financial debt/ EBITDA               |       | 20.9       |        | (3.1)               | (10)  |        |                 |
| <b>Operational data</b>                  |       |            |        |                     |       |        |                 |
| N. of employees at end-period            |       | 1,249      |        | 1,319               |       |        |                 |
| Average number of employees              | (9)   | 1,249      |        | 1,324               |       |        |                 |
| <b>Earnings per share (euro)</b>         |       |            |        |                     |       |        |                 |
| - Basic                                  |       | 0.07       |        | 0.05                |       |        | 40%             |
| - Diluted                                |       | 0.06       |        | 0.05                |       |        | 20%             |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

(1) EBITDA is equal to the operating income (EBIT) gross of amortisation, depreciation and accruals for risks and charges.

(2) Sum of consolidated net profit and amortisations.

(3) Sum of current assets, non-current assets held for sale and current liabilities, gross of current net financial debts.

(4) Sum of trade receivables, inventory and trade payables.

(5) Equal to non-current assets net of non-current financial assets for derivatives.

(6) Equal to capital employed as of period end, calculated as the sum of net working capital plus fixed assets net of non-current non-financial liabilities.

(7) Equal to net equity less goodwill and intangible assets.

(8) Sum of financial debts, cash availability, assets/liabilities for financial derivatives and financial receivables from factoring.

(9) Calculated as the average of opening balance and closing balance of consolidated companies.

(10) Figures relative to 31 December 2017.

The economic and financial results of this period and of the relative period of comparison have been measured by applying the International Financial Reporting Standards ('IFRSs'), adopted by the EU in force in the reference period. In the chart above, in addition to the conventional economic and financial indicators laid down by IFRSs, some 'alternative performance indicators', although not defined by the IFRSs, are presented. These 'alternative performance indicators', consistently presented in previous periodic Group reports, are not intended to substitute IFRSs indicators; they are used internally by the Management for measuring and controlling the Group's profitability, performance, capital structure and financial position.

As required by the Guidelines ESMA / 2015/1415 ESMA (European Securities and Market Authority) issued under Article 16 of the ESMA Regulation, updating the previous recommendation CESR / 05-178b of CESR

(Committee of European Securities Regulators) and adopted by Consob with Communication no. 0092543 of 12/03/2015, basis of calculation adopted are defined below the table.

### Consolidated statement of financial position

| (euro/000)                               | 31/03/2018       | related parties | 31/12/2017<br>restated* | related parties |
|--|------------------|-----------------|-------------------------|-----------------|
| <b>ASSETS</b>                            |                  |                 |                         |                 |
| <b>Non-current assets</b>                |                  |                 |                         |                 |
| Property, plant and equipment            | 14,113           |                 | 14,634                  |                 |
| Goodwill                                 | 90,595           |                 | 90,595                  |                 |
| Intangible assets                        | 992              |                 | 1,070                   |                 |
| Investments in associates                | -                |                 | -                       |                 |
| Deferred income tax assets               | 11,245           |                 | 11,262                  |                 |
| Derivative financial assets              | 14               |                 | 36                      |                 |
| Receivables and other non-current assets | 3,410            | 1,552           | 6,705                   | 1,553           |
|  | <b>120,369</b>   | <b>1,552</b>    | <b>124,302</b>          | <b>1,553</b>    |
| <b>Current assets</b>                    |                  |                 |                         |                 |
| Inventory                                | 498,311          |                 | 481,551                 |                 |
| Trade receivables                        | 313,821          | 14              | 313,073                 | 11              |
| Income tax assets                        | 2,605            |                 | 3,116                   |                 |
| Other assets                             | 29,674           | 1,216           | 27,552                  | 10              |
| Cash and cash equivalents                | 96,483           |                 | 296,969                 |                 |
|  | <b>940,894</b>   | <b>1,230</b>    | <b>1,122,261</b>        | <b>21</b>       |
| <b>Disposal groups assets</b>            |                  |                 |                         |                 |
|  | -                |                 | -                       |                 |
| <b>Total assets</b>                      | <b>1,061,263</b> | <b>2,782</b>    | <b>1,246,563</b>        | <b>1,574</b>    |
| <b>EQUITY</b>                            |                  |                 |                         |                 |
| Share capital                            | 7,861            |                 | 7,861                   |                 |
| Reserves                                 | 329,442          |                 | 303,046                 |                 |
| Group net income                         | 3,372            |                 | 25,968                  |                 |
| <b>Group net equity</b>                  | <b>340,675</b>   |                 | <b>336,875</b>          |                 |
| <b>Non-controlling interests</b>         | <b>1,087</b>     |                 | <b>1,046</b>            |                 |
| <b>Total equity</b>                      | <b>341,762</b>   |                 | <b>337,921</b>          |                 |
| <b>LIABILITIES</b>                       |                  |                 |                         |                 |
| <b>Non-current liabilities</b>           |                  |                 |                         |                 |
| Borrowings                               | 18,262           |                 | 19,999                  |                 |
| Derivative financial liabilities         | -                |                 | -                       |                 |
| Deferred income tax liabilities          | 7,362            |                 | 7,088                   |                 |
| Retirement benefit obligations           | 4,676            |                 | 4,814                   |                 |
| Debts for investments in subsidiaries    | 1,317            |                 | 1,311                   |                 |
| Provisions and other liabilities         | 2,285            |                 | 2,504                   |                 |
|  | <b>33,902</b>    |                 | <b>35,716</b>           |                 |
| <b>Current liabilities</b>               |                  |                 |                         |                 |
| Trade payables                           | 424,961          | -               | 690,449                 | -               |
| Short-term financial liabilities         | 231,795          |                 | 156,006                 |                 |
| Income tax liabilities                   | 815              |                 | 609                     |                 |
| Derivative financial liabilities         | 493              |                 | 663                     |                 |
| Debts for investments in subsidiaries    | -                |                 | -                       |                 |
| Provisions and other liabilities         | 27,535           | 1,501           | 25,199                  | 1,510           |
|  | <b>685,599</b>   | <b>1,501</b>    | <b>872,926</b>          | <b>1,510</b>    |
| <b>Disposal groups liabilities</b>       |                  |                 |                         |                 |
|  | -                |                 | -                       |                 |
| <b>Total liabilities</b>                 | <b>719,501</b>   | <b>1,501</b>    | <b>908,642</b>          | <b>1,510</b>    |
| <b>Total equity and liabilities</b>      | <b>1,061,263</b> | <b>1,501</b>    | <b>1,246,563</b>        | <b>1,510</b>    |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

## Consolidated separate income statement

| (euro/000)   | Q1             |                  |                  | Q1                |                  |                  |
|--|----------------|------------------|------------------|-------------------|------------------|------------------|
|  | 2018           | no non-recurring | related parties* | 2017<br>restated* | no non-recurring | related parties* |
| <b>Sales</b>   | <b>781,274</b> | -                | 3                | <b>742,480</b>    | -                | -                |
| Cost of sales  | (742,322)      | -                | -                | (702,945)         | -                | -                |
| <b>Gross profit</b>                                  | <b>38,952</b>  | -                | -                | <b>39,535</b>     | -                | -                |
| Sales and marketing costs                            | (13,390)       | -                | -                | (14,376)          | -                | -                |
| Overheads and administrative costs                   | (20,211)       | -                | (1,224)          | (20,407)          | (493)            | (1,208)          |
| <b>Operating income (EBIT)</b>                       | <b>5,351</b>   | -                | -                | <b>4,752</b>      | <b>(493)</b>     | -                |
| Finance costs - net                                  | (708)          | -                | 2                | (1,432)           | -                | -                |
| Other investments expenses / (incomes)               | -              | -                | -                | (2)               | -                | -                |
| <b>Profit before income taxes</b>                    | <b>4,643</b>   | -                | -                | <b>3,318</b>      | <b>(493)</b>     | -                |
| Income tax expenses                                  | (1,230)        | -                | -                | (862)             | 129              | -                |
| <b>Net income</b>                                    | <b>3,413</b>   | -                | -                | <b>2,456</b>      | <b>(364)</b>     | -                |
| - of which attributable to non-controlling interests | 40             | -                | -                | (75)              | -                | -                |
| - of which attributable to Group                     | 3,373          | -                | -                | 2,531             | (364)            | -                |
| Earnings per share - basic (euro)                    | 0.07           | -                | -                | 0.05              | -                | -                |
| Earnings per share - diluted (euro)                  | 0.06           | -                | -                | 0.05              | -                | -                |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

## Consolidated statement of comprehensive income

| (euro/000)  | Q1<br>2018   | Q1<br>2017<br>restated* |
|---|--------------|-------------------------|
| <b>Net income</b>   | <b>3,413</b> | <b>2,456</b>            |
| <i>Other comprehensive income:</i>  |              |                         |
| - Changes in 'cash flow hedge' equity reserve   | 53           | 46                      |
| - Taxes on changes in 'cash flow hedge' equity reserve                                    | (12)         | (8)                     |
| - Changes in translation adjustment reserve   | 3            | 3                       |
| <i>Other comprehensive income not to be reclassified in the separate income statement</i> |              |                         |
| - Changes in 'TFR' equity reserve   | 57           | 54                      |
| - Taxes on changes in 'TFR' equity reserve  | (12)         | (12)                    |
| <b>Other comprehensive income</b>   | <b>89</b>    | <b>82</b>               |
| <b>Total comprehensive income</b>   | <b>3,502</b> | <b>2,538</b>            |
| - of which attributable to Group  | 3,460        | 2,613                   |
| - of which attributable to non-controlling interests                                      | 42           | (75)                    |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

## Consolidated statement of changes in equity

| (euro/000)  | Share<br>capital | Reserves       | Own<br>shares  | Profit for<br>the<br>period* | Total net<br>equity | Minority<br>interest | Group net<br>equity |
|---|------------------|----------------|----------------|------------------------------|---------------------|----------------------|---------------------|
| <b>Balance at 31 December 2016</b>                | <b>7,861</b>     | <b>288,372</b> | <b>(5,145)</b> | <b>26,870</b>                | <b>317,958</b>      | <b>999</b>           | <b>316,959</b>      |
| <b>Total comprehensive income/(loss)</b>          | <b>-</b>         | <b>82</b>      | <b>-</b>       | <b>2,456</b>                 | <b>2,538</b>        | <b>(75)</b>          | <b>2,613</b>        |
| Allocation of last year net income/(loss)         | -                | 26,870         | -              | (26,870)                     | -                   | -                    | -                   |
| <b>Transactions with owners</b>                   | <b>-</b>         | <b>26,870</b>  | <b>-</b>       | <b>(26,870)</b>              | <b>-</b>            | <b>-</b>             | <b>-</b>            |
| Increase/(decrease) in 'stock grant' plan reserve | -                | 363            | -              | -                            | 363                 | -                    | 363                 |
| Other variations                                  | -                | 7              | -              | -                            | 7                   | 1                    | 6                   |
| <b>Balance at 31 March 2017</b>                   | <b>7,861</b>     | <b>315,694</b> | <b>(5,145)</b> | <b>2,456</b>                 | <b>320,866</b>      | <b>925</b>           | <b>319,941</b>      |
| <b>Balance at 31 December 2017</b>                | <b>7,861</b>     | <b>309,192</b> | <b>(5,145)</b> | <b>26,013</b>                | <b>337,921</b>      | <b>1,046</b>         | <b>336,875</b>      |
| <b>Total comprehensive income/(loss)</b>          | <b>-</b>         | <b>89</b>      | <b>-</b>       | <b>3,413</b>                 | <b>3,502</b>        | <b>42</b>            | <b>3,460</b>        |
| Allocation of last year net income/(loss)         | -                | 26,013         | -              | (26,013)                     | -                   | -                    | -                   |
| <b>Transactions with owners</b>                   | <b>-</b>         | <b>26,013</b>  | <b>-</b>       | <b>(26,013)</b>              | <b>-</b>            | <b>-</b>             | <b>-</b>            |
| Change in 'stock grant' plan reserve              | -                | 351            | -              | -                            | 351                 | -                    | 351                 |
| Other variations                                  | -                | (12)           | -              | -                            | (12)                | (1)                  | (11)                |
| <b>Balance at 31 March 2018</b>                   | <b>7,861</b>     | <b>335,633</b> | <b>(5,145)</b> | <b>3,413</b>                 | <b>341,762</b>      | <b>1,087</b>         | <b>340,675</b>      |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

## Consolidated net financial position

| (euro/000)   | 31/03/2018     | 31/12/2017<br>restated* | Var.           | 31/03/2017<br>restated* | Var.           |
|--|----------------|-------------------------|----------------|-------------------------|----------------|
| Short-term financial liabilities                           | 231,795        | 156,006                 | 75,789         | 100,706                 | 131,089        |
| Current debts for investments in subsidiaries              | -              | -                       | -              | 5,065                   | (5,065)        |
| Current financial (assets)/liabilities for derivatives     | 493            | 663                     | (170)          | 81                      | 412            |
| Financial receivables from factoring companies             | (13,130)       | (1,534)                 | (11,596)       | (11,737)                | (1,393)        |
| Other financial receivables                                | (3,428)        | (508)                   | (2,921)        | (446)                   | (2,982)        |
| Cash and cash equivalents                                  | (96,483)       | (296,969)               | 200,486        | (146,856)               | 50,373         |
| <b>Net current financial debt</b>                          | <b>119,247</b> | <b>(142,342)</b>        | <b>261,588</b> | <b>(53,187)</b>         | <b>172,433</b> |
| Borrowings   | 18,262         | 19,999                  | (1,737)        | 168,590                 | (150,328)      |
| Non - current debts for investments in subsidiaries        | 1,317          | 1,311                   | 6              | 3,941                   | (2,624)        |
| Non-current financial (assets)/liabilities for derivatives | (14)           | (36)                    | 22             | (28)                    | 14             |
| Other financial receivables                                | (1,427)        | (1,863)                 | 437            | (1,854)                 | 428            |
| <b>Net financial debt</b>                                  | <b>137,385</b> | <b>(122,931)</b>        | <b>260,316</b> | <b>117,462</b>          | <b>19,923</b>  |

\* Different amounts from those published in previous reports due to the application of the newly adopted accounting standards to the comparative periods.

**Consolidated statement of cash flows**

| (euro/000)  | Q1<br>2018       | Q1<br>2017<br>restated* |
|---|------------------|-------------------------|
| <b>Cash flow provided by (used in) operating activities (D=A+B+C)</b> | <b>(262,423)</b> | <b>(220,735)</b>        |
| <b>Cash flow generated from operations (A)</b>                        | <b>6,560</b>     | <b>5,891</b>            |
| Operating income (EBIT)   | 5,351            | 4,752                   |
| Depreciation, amortisation and other fixed assets write-downs         | 1,167            | 1,122                   |
| Net changes in provisions for risks and charges                       | (219)            | (137)                   |
| Net changes in retirement benefit obligations                         | (90)             | (208)                   |
| Stock option/grant costs  | 351              | 362                     |
| <b>Cash flow provided by (used in) changes in working capital (B)</b> | <b>(268,887)</b> | <b>(226,131)</b>        |
| Inventory   | (16,760)         | (73,271)                |
| Trade receivables   | (748)            | 52,369                  |
| Other current assets  | 12,905           | 3,339                   |
| Trade payables  | (265,677)        | (208,509)               |
| Other current liabilities   | 1,393            | (59)                    |
| <b>Other cash flow provided by (used in) operating activities (C)</b> | <b>(96)</b>      | <b>(495)</b>            |
| Interests paid, net   | (520)            | (390)                   |
| Foreign exchange (losses)/gains                                       | 424              | (105)                   |
| <b>Cash flow provided by (used in) investing activities (E)</b>       | <b>2,432</b>     | <b>(1,118)</b>          |
| Net investments in property, plant and equipment                      | (490)            | (765)                   |
| Net investments in intangible assets                                  | (78)             | (44)                    |
| Changes in other non current assets and liabilities                   | 3,000            | (309)                   |
| <b>Cash flow provided by (used in) financing activities (F)</b>       | <b>59,505</b>    | <b>82,776</b>           |
| Medium/long term borrowing  | -                | 165,000                 |
| Repayment/renegotiation of medium/long-term borrowings                | (16,576)         | (54,182)                |
| Net change in financial liabilities                                   | 90,219           | (23,243)                |
| Net change in financial assets and derivative instruments             | (14,228)         | (5,115)                 |
| Deferred price Celly acquisition                                      | 6                | 5                       |
| Deferred price Vinzeo acquisition                                     | -                | 347                     |
| Increase/(decrease) in 'cash flow edge' equity reserve                | 41               | 38                      |
| Changes in third parties net equity                                   | 43               | (74)                    |
| <b>Net increase/(decrease) in cash and cash equivalents (G=D+E+F)</b> | <b>(200,486)</b> | <b>(139,077)</b>        |
| <b>Cash and cash equivalents at year-beginning</b>                    | <b>296,969</b>   | <b>285,933</b>          |
| <b>Net increase/(decrease) in cash and cash equivalents</b>           | <b>(200,486)</b> | <b>(139,077)</b>        |
| <b>Cash and cash equivalents at year-end</b>                          | <b>96,483</b>    | <b>146,856</b>          |

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