

## **Esprinet to sign the agreement for the acquisition of the business unit "VAD-Value Added Distributor" of Itway Group**

**The transaction perimeter consists of ICT distribution activities  
of Itway in Italy, Spain and Portugal achieving  
'pro-forma' sales of € 57.2 million<sup>1</sup> and EBIT of € 1.7 million<sup>2</sup>**

***V-Valley, the "Value-Added" Distribution business of the Group,  
increasing FY 2016 'pro-forma' sales to over € 480 million with 220 dedicated professionals***

**Vimercate (Monza Brianza), October 21<sup>st</sup> 2016** – Esprinet S.p.A. (Italian Stock Exchange: PRT) communicates the signing of a binding agreement for the acquisition of the IT distribution activities - both hardware and software ('VAD' business) - of the Itway Group in Italy, Spain and Portugal.

Founded in Ravenna (Italy) in 1996, listed on the Italian Stock Exchange since 2001 (STAR segment), Itway S.p.A. is the parent company of a multinational group active in the engineering, manufacturing and distribution of ICT solutions and technologies.

Itway Group operates in three market segments: distribution ('VAD-Value Added Distribution') of IT security software (dedicated software and hardware devices), networking (basic infrastructure for connecting PCs and other IT devices) and server software in Italy, Spain, Portugal, Greece, Turkey and Middle-East. In this business area, Itway is the market leader in Italy. 'VAR-Value Added Reseller' area and 'VAS-Value Added Services' area are the remaining two business segments.

The transaction perimeter refers to assets and liabilities connected to the activities of the 'VAD business' in Italy and the Iberian peninsula thus involving only Itway S.p.A. and Itway Iberica as sellers.

The main customers of the Italian business are represented by System Integrators, Value Added Resellers (VARs) and Tel.Co. The offering includes ICT Security solutions, Enterprise Software, virtualization and OpenSource / Linux solutions, as well as pre and post-sales technical services and training.

Brand portfolio consists of roughly thirty brands among which the most significant are Check Point Software, Red Hat and Extreme Networks.

Other brands commercialised are Acronis, Alcatel, Array Networks, Bluecoat, Ipswitch, Lenovo, Kaspersky, Kemp, Microfocus/Novell, Solarwinds, Vidyo and VMware.

Main customers of the Iberian business are represented by system integrators and value-added reseller, sourcing a portfolio of about twenty brands, with Check Point Software, Alcatel-Lucent Enterprise, Thales and Kaspersky being the largest ones.

The overall 'pro-forma' sales of the "VAD business" in FY 2014 and FY 2015 amounted respectively to € 48.6 million and € 57.2 million<sup>3</sup>.

EBITDA amounted to € 1.7 million in FY 2015, total net invested capital being € 14.7 million as at December 31<sup>st</sup>, 2015<sup>4</sup>.

Total consideration agreed for the transaction is made up of the net asset value of the acquired business plus a total amount of up to € 10.8 million made up as follows:

- a fixed amount of € 5.0 million to be paid cash at closing date;
- a variable amount up to a maximum of € 5.8 million payable after 12 months from closing date conditional upon the achievement of economic and financial targets.

The acquisition is consistent with the Group Strategic Plan presented in early October, particularly with regard to pursuing a further significant acceleration in growing in the 'IT value' space which was initially penetrated in 2011 through the creation of a separate organization, V-Valley, that has quickly become a key player in the distribution 'datacenter' products and services.

<sup>1</sup> Source: "carve-out" performed by Esprinet management on accounts by Itway management.

<sup>2</sup> Net of adjustment and normalization made by Esprinet.

<sup>3</sup> Source: "carve-out" on FY2015 and FY2014 management accounts supplied by Itway management performed by Esprinet management. (FY2015 sales net of intercompany sales for a total amount of € 3.1 million).

<sup>4</sup> Source: Esprinet.

Following the same guidelines, during 2016 Esprinet Group purchased the EDSlan business in Italy (Networking, cabling, Voip and UCC) and Vinzeo in Spain, the latter operating also in 'IT value' thanks to Hewlett-Packard Enterprise contract.

After this transaction, also considering the contribution of Vinzeo and EDSlan, Esprinet shall count on dedicated sales and marketing structure of about 170 professionals in Italy, with a 'pro-forma' sales of € ~ 400 million<sup>5</sup>.

In Spain and Portugal, following the acquisition of Itway Iberica business, Esprinet Group will found the V-Valley Iberica subsidiary that shall consolidate 'pro-forma' sales of € ~80 million<sup>6</sup> in the 'value-added' distribution thanks to a dedicated organization of more than 50 people.

The acquisition is conditional upon the completion of labour union procedures pursuant to art. 47 of Law no. 428/90 in relation to transfer of business as well as according to the Spanish and Portuguese laws and regulations, where applicable.

The expected date for the closing is November 30<sup>th</sup> 2016.

Esprinet was advised by PwC Advisory S.p.A. as financial advisor and by Chiomenti and Garrigues as legal advisors.

In Italy legal, tax and labour due diligence were performed by Pirola Pennuto Zei & Partners and Trevisan&Cuonzo while in Spain legal and tax due diligence were performed by Garrigues, and the labour due diligence performed by Bufete Suarez de Vivero and Adreu Advogados in Spain and Portugal.

*This press release may contain forward-looking statements, based on forecast and projections that cannot be considered as certain and definite. These forward-looking statements are based on forecast of future events, future financial performance, commercial planning and strategies, volumes of supply and demand. Therefore, data presented in this press release must be valued as estimates that for their nature can change on varying of the elements on which they are calculated.*

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Esprinet (Italian Stock Exchange: PRT) is engaged in the "B-to-B" distribution of technology products in Italy and Spain, with about 40.000 resellers served and 600 brands supplied. The 2015 "pro-forma" turnover – that counts also the contribution of the purchase of Vinzeo and EDSlan closed in 2016 – amounts to € 3.3 billion euro, and ranks the Company #1 in Italy and Spain and #4 in Europe.

<sup>5</sup> Source: forecast FY2016 included in the Strategic Plan of the Esprinet Group and FY2015 'pro-forma' sales deduced by "carve-out" of the VAD Italian business.

<sup>6</sup> Source: forecast 2016 included in the Strategic Plan of the Esprinet Group and FY2015 'pro-forma' sales deduced by "carve-out" of the VAD Iberian business.