

Informazione Regolamentata n. 0533-50-2023	Data/Ora Inizio Diffusione 13 Novembre 2023 18:15:08	Euronext Star Milan
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Societa' : ESPRINET

Identificativo : 183295

Informazione
Regolamentata

Nome utilizzatore : ESPRINETN05 - Perfetti

Tipologia : REGEM; 2.2

Data/Ora Ricezione : 13 Novembre 2023 17:58:23

Data/Ora Inizio
Diffusione : 13 Novembre 2023 18:15:08

Oggetto : ESPRINET: GROSS PROFIT MARGIN
FURTHER SUCCESSIVE INCREASE IN
Q3, DESPITE THE CHALLENGING
GLOBAL AND MARKET SCENARIO.
GUIDANCE 2023 CONFIRMED

Testo del comunicato

Vedi allegato.

Press release pursuant to CONSOB Regulation No. 11971/99

INCREASINGLY FOCUSED ON THE HIGH MARGIN SEGMENTS OF SOLUTIONS & SERVICES THROUGH THE V-VALLEY DIVISION, IN THE THIRD QUARTER, THE ESPRINET GROUP RECORDS A FURTHER SUCCESSIVE INCREASE IN GROSS PROFIT MARGIN, DESPITE THE STILL VERY CHALLENGING GLOBAL AND ICT MARKET SCENARIO. GUIDANCE 2023 CONFIRMED

9M 2023

Sales from contracts with customers: Euro 2,744.9 million, -15% (9M 22: Euro 3,217.7 million)

EBITDA Adj.: Euro 36.6 million, -33% (9M 22: Euro 54.4 million)

Net income Adj.¹: Euro 8.4 million, -66% (9M 22: Euro 25.0 million)

Cash Conversion Cycle: 30 days (9M 22: 21 days)

ROCE: 7.3% (9M 22: 11.0%)

Net Financial Position: negative for Euro 260.6 million (9M 22: negative for Euro 382.5 million)

Q3 2023

Sales from contracts with customers: Euro 839.1 million, -19% (Q3 22: Euro 1,039.1 million)

EBITDA Adj.: Euro 11.7 million, -29% (Q3 22: Euro 16.4 million)

Net income: Euro 2.0 million, -62% (Q3 22: Euro 5.3 million)

Vimercate (Monza Brianza), 13 November 2023 – The Board of Directors of ESPRINET, a leading Group in Southern Europe in advisory services, sale and rental of technological products and IT security approved the **Additional periodical disclosure as at 30 September 2023**, drafted in compliance with the international accounting standards (IFRS).

Alessandro Cattani, ESPRINET's Chief Executive Officer: *"The year 2023 is characterized by strong geopolitical tensions and persistent instability in the ICT market and is also a year of transition for Esprinet. We have accelerated the execution of our strategy that aims to strengthen the offer of high margin lines, also by functionally redesigning V-Valley, the division that deals with Solutions & Services. Thanks to this, we can now boast of a considerable overall increase in the Gross Profit Margin combined with a progressive cost optimization. The Group is thus laying the foundations for a planned future increase in the EBITDA margin, adapting its strategy in order to benefit from the opportunity of recovery in the coming years. In fact, analysts are now in agreement in forecasting a 2024 recovery in the Screens & Devices market, areas where the Group is traditionally stronger. This recovery will also add to the opportunities deriving from a profoundly changed ICT market which is expected to express its future growth mainly in four areas: generative AI, Cybersecurity, Everything as a Service and Sustainability, all areas that the recent development of the V-Valley division will allow to monitor in an increasingly effective manner".*

MAIN CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2023

In the nine months of 2023, **Sales from contracts with customers** amounted to Euro 2,744.9 million, a decrease of 15% compared to the result of the same period in the previous year (Euro 3,217.7

¹ Calculated gross of the non-recurring cost of Euro 33.3 million (of which Euro 26.4 million for taxes and sanctions and 6.9 million Euro for interest) incurred by the parent company Esprinet S.p.A. in relation to the blanket agreement reached with the Revenue Agency aimed at the out-of-court settlement of the disputes formulated regarding VAT for the tax periods 2013-2017.

million). The performance of the third quarter (Euro 839.1 million; -19% compared to Q3 2022) highlights the delay recorded in the first half (-13% compared to the first six months of 2022).

(€/million)	9M 2023	9M 2022	% Var.
Italy	1,685.2	1,911.3	-12%
Spain	949.3	1,188.7	-20%
Portugal	79.6	74.8	6%
Other EU countries	17.5	29.7	-41%
Other non-EU countries	13.3	13.2	1%
Sales from contracts with customers	2,744.9	3,217.7	-15%

(€/million)	Q3 2023	Q3 2022	% Var.
Italy	507.4	613.3	-17%
Spain	296.9	381.5	-22%
Portugal	23.8	26.0	-8%
Other EU countries	7.1	14.4	-51%
Other non-EU countries	3.9	3.9	0%
Sales from contracts with customers	839.1	1,039.1	-19%

ESPRINET recorded sales in **Italy** of Euro 1,685.2 million (-12% compared to the nine months of 2022) in a market whose performance, according to Context data, is down by 5% compared to the same period of the previous year: the result of the third quarter (-11%) further worsens the scenario, after the negative trend of the first six months (-3%). In **Spain**, the Group's sales amounted to Euro 949.3 million, -20% compared to 2022, in a substantially flat market: the advantage acquired in the first quarter (+8%) disappeared with the results of the second quarter (+2%) and with the decrease recorded in the July-September 2023 period (-9%). With sales of Euro 79.6 million, **Portugal** grew by 6%, in a market otherwise recording a -6% reduction, with the following quarterly trends: -2% in Q1 2023, -6% in Q2 2023 and -9% in Q3 2023.

(€/million)	Sales from contracts with customers				EBITDA Adjusted				EBITDA Adjusted %		
	9M 2023	9M 2022	Var.	% Var.	9M 2023	9M 2022	Var.	% Var.	9M 2023	9M 2022	Var.
Screens	1,480.1	1,895.6	-415.5	-22%	9.1	16.9	-7.8	-46%	0.61%	0.89%	-0.28%
Devices	617.2	693	-75.8	-11%	7.8	16.4	-8.6	-52%	1.26%	2.37%	-1.10%
Own Brands	29.6	42.2	-12.6	-30%	-3.0	-1.2	-1.8	150%	-10.14%	-2.84%	-7.29%
<i>Esprinet total</i>	<i>2,126.9</i>	<i>2,630.8</i>	<i>-503.9</i>	<i>-19%</i>	<i>13.9</i>	<i>32.1</i>	<i>-18.2</i>	<i>-57%</i>	<i>0.65%</i>	<i>1.22%</i>	<i>-0.57%</i>
Solutions	610.4	576.5	33.9	6%	18.7	17.6	1.1	6%	3.06%	3.05%	0.01%
Services	7.6	10.4	-2.8	-27%	4.0	4.7	-0.7	-15%	52.63%	45.19%	7.44%
<i>V-Valley total</i>	<i>618</i>	<i>586.9</i>	<i>31.1</i>	<i>5%</i>	<i>22.7</i>	<i>22.3</i>	<i>0.4</i>	<i>2%</i>	<i>3.67%</i>	<i>3.80%</i>	<i>-0.13%</i>
Total	2,744.9	3,217.7	-472.8	-15%	36.6	54.4	-17.7	-33%	1.33%	1.69%	-0.36%

(€/million)	Sales from contracts with customers				EBITDA Adjusted				EBITDA Adjusted %		
	Q3 2023	Q3 2022	Var.	% Var.	Q3 2023	Q3 2022	Var.	% Var.	Q3 2023	Q3 2022	Var.
Screens	459.4	607.1	-147.7	-24%	3.3	4.8	-1.5	-31%	0.72%	0.79%	-0.07%
Devices	189.6	221.7	-32	-14%	1.8	6.1	-4.3	-70%	0.95%	2.75%	-1.80%
Own Brands	9.1	14.5	-5.4	-37%	-0.6	-0.5	-0.1	20%	-6.59%	-3.45%	-3.15%
<i>Esprinet total</i>	<i>658.2</i>	<i>843.3</i>	<i>-185.1</i>	<i>-22%</i>	<i>4.5</i>	<i>10.4</i>	<i>-5.9</i>	<i>-57%</i>	<i>0.68%</i>	<i>1.23%</i>	<i>-0.55%</i>
Solutions	178.5	190.7	-12.2	-6%	5.9	4.4	1.5	34%	3.31%	2.31%	1.00%
Services	2.4	5.1	-2.7	-53%	1.3	1.6	-0.3	-19%	54.17%	31.37%	22.79%
<i>V-Valley total</i>	<i>180.9</i>	<i>195.8</i>	<i>-14.9</i>	<i>-8%</i>	<i>7.2</i>	<i>6.0</i>	<i>1.2</i>	<i>20%</i>	<i>3.98%</i>	<i>3.06%</i>	<i>0.92%</i>
Total	839.1	1,039.1	-200.0	-19%	11.7	16.4	-4.7	-29%	1.39%	1.58%	-0.18%

A glance at the performance of the **business lines** in which the Group operates shows that, according to the segmentation into “five pillars”, in the first nine months of the year *Screens* (PCs, Tablets and Smartphones) reported a decrease of 22%, in a market that shrank by 9% according to Context data.

The *Devices* segment also showed a slowdown in the first three quarters (-11%), almost in line with market trend (-10%).

However, the Group recorded an increase of 5% in the *Solutions* and *Services* segments, while, again according to the measurement of the UK research company Context, the market reported an increase of +7%. Following the application of IFRS 15, *Solutions* and *Services* sales rose to Euro 618.0 million compared to Euro 586.9 million in 2022 and, consistently with the Group's strategy of focusing on high profit-margin business lines, their incidence on total sales rose to 23% (18% in 2022). *Solutions* are once again confirmed as the business line that generates the most EBITDA adj.² in terms of absolute value: with sales equal to approximately 40% of *Screens*, they more than double the profitability of this category.

In the January-September 2023 period, the Group experienced a 30% reduction in sales in the *Own Brands* segment.

(€/million)	9M 2023	9M 2022	% Var.
Retailer, E-tailer (Consumer Segment)	947.9	1,276.5	-26%
IT Reseller (Business Segment)	1,951.2	2,140.6	-9%
<i>Reconciliation adjustments</i>	(154.2)	(199.4)	-23%
Sales from contracts with customers	2,744.9	3,217.7	-15%

(€/million)	Q3 2023	Q3 2022	% Var.
Retailer, E-tailer (Consumer Segment)	326.3	430.7	-24%
IT Reseller (Business Segment)	592.0	686.2	-14%
<i>Reconciliation adjustments</i>	(79.2)	(77.8)	2%
Sales from contracts with customers	839.1	1,039.1	-19%

Lastly, looking at **customer segments**, at 30 September 2023 the market in southern Europe recorded a 1% growth in the *Business Segment* (IT Reseller), however, reducing the advantage recorded at 30 June 2023 (+5% compared to the first six months of 2022). Showing a worsening of the third quarter results (-16%), the *Consumer Segment* (Retailer, E-tailer) records an 11% setback compared to the nine months of 2022. Group sales show the following trends compared to the same period of the previous year: *Business Segment* with Euro 1,951.2 million (-9%) and *Consumer Segment* with Euro 947.9 million (-26%).

The weight of sales to IT Resellers in the three quarters of 2023 rose to 67% compared to 63% in the same period of the previous year, in line with the Group's strategy of gradually reducing the weight of the channel subject to greater discount pressures.

Gross Profit amounted to Euro 154.1 million, -8% compared to the first nine months of 2022 (Euro 167.9 million). The effect of the increase in the percentage margin (5.61% in the January-September 2023 period, compared to 5.22% in the same period of the previous year and which stood at 5.80% in the third quarter of 2023), a result of the greater incidence of high profit-margin product categories that, in line with the Group's strategy, accounted for 46% of sales, up from 41% at 30 September 2022, and did not manage to offset the drop in sales. This increase is more significant if we consider the impact of the finance costs associated with the non-recourse

² The costs attributed to each pillar are direct sales and marketing costs, and certain categories of general and administrative expenses directly attributable to each business line (e.g. credit insurance costs, inventory costs); the remaining G&A costs are distributed in proportion to the weight of the business line on total sales. The results are not audited.

receivable assignment programmes following the increase in interest rates decided by the European Central Bank.

EBITDA adjusted, calculated gross of non-recurring costs incurred by the parent company Esprinet S.p.A. in relation to the blanket agreement reached with the Revenue Agency aimed at the out-of-court settlement of the disputes formulated regarding VAT for the tax periods 2013-2017, came to Euro 36.6 million, -33% compared to 54.4 million Euro in the first nine months of 2022.

The incidence on sales of 1.33%, compared to 1.69% in the same period of 2022, reflects the increase in the weight of operating costs (from 3.53% at 30 September 2022 to 4.28% at 30 September 2023), mainly as a result of inflation and of the adjustment of national collective bargaining agreements.

EBIT adjusted stood at Euro 22.2 million (-47% compared to Euro 41.5 million in the three quarters of 2022) and is calculated gross of the non-recurring costs mentioned above.

The incidence on sales fell to 0.81% from 1.29% in the same period of the previous year.

EBIT amounted to Euro - 4.2 million (<100% compared to the January-September 2022 period). The incidence on sales fell to -0.15% from 1.22% in the same period of the previous year.

Profit before income taxes adjusted amounted to Euro 11.9 million, compared to Euro 34.3 million at 30 September 2022. This result is affected by the increase in financial costs due to both the increase in interest rates set by the European Central Bank and the higher level of indebtedness mainly related to higher levels of Net Working Capital.

Net income adjusted amounted to Euro 8.4 million, compared to Euro 25.0 million in the first nine months of 2022.

The net profit per ordinary share, which takes into account the overall impact of the costs incurred by the parent company Esprinet S.p.A. in relation to the blanket agreement reached with the Revenue Agency aimed at the out-of-court settlement of the disputes formulated regarding VAT for the tax periods 2013-2017 for a total of Euro 33.3 million, amounts to -0.50 Euro, compared to 0.47 Euro for the three quarters of 2022.

CASH CONVERSION CYCLE AT 30 DAYS

The **Cash Conversion Cycle**³ closed at 30 days (-1 day compared to H1 23 and +9 days with respect to Q3 22). In particular, the following trends were recorded:

- Days sales of inventory (DSI): unchanged vs H1 23 (-3 days vs Q3 22);
- Days sales outstanding (DSO): +3 days vs H1 23 (+11 days vs Q3 22),
- Days payable outstanding (DPO): +4 days vs H1 23 (-1 day vs Q3 22).

NEGATIVE NET FINANCIAL POSITION FOR EURO 260.6 MILLION (EURO 382.5 MILLION IN Q3 22)

The **Net Financial Position**, amounted to a negative Euro 260.6 million, compared with a negative position of Euro 382.5 million as at 30 September 2022 and a negative position of Euro 207.2 million as at 30 June 2023. The improvement compared to the end of the third quarter of 2022 follows the actions to contain the level of net invested working capital with respect to the values accumulated in 2022. Nonetheless, it is always considered that the value of the exact net financial position is influenced by technical factors like the seasonality of the business, the trend in 'non-

³ Equal to the average number of days of turnover of Operating Net Working Capital of the last 4 quarters, calculated as the sum of trade receivables, inventories and trade payables.

recourse' assignments of trade receivables (factoring, confirming and securitization) and the trend in the behavioral models of customers and suppliers in the different periods of the year. Therefore, it is not representative of the average levels of net financial indebtedness noted during the period. The aforementioned factoring and securitization programs, which define the complete transfer of risks and benefits to the assignees and therefore involve the derecognition of receivables from the statement of financial position assets in compliance with IFRS 9, determine an overall effect on the level of consolidated net financial payables as at 30 September 2023 of Euro 244.0 million (Euro 404.3 million as at 30 September 2022 and Euro 364.2 million as at 30 June 2023).

THE ROCE STANDS AT 7.3%

The **ROCE** stands at **7.3%**, compared to 11.0% in the first nine months of 2022. The main changes related to this trend can be summarized as follows:

- the "**NOPAT - Net Operating Profit Less Adjusted Taxes**" decreased when compared to 2022;
- the **Average Net Invested Capital**, measured before the effects of the introduction of IFRS 16, increased (+27%) due primarily to the increase in the Average Net Working Capital.

(€/million)	9M 2023	9M 2022
Operating profit (EBIT Adj.) ⁴	51.6	63.4
NOPAT ⁵	38.7	46.0
Average Net Invested Capital ⁶	529.6	416.3
ROCE ⁷	7.3%	11.0%

OUTLOOK 2023

Like the first six months of the year, the third quarter was also characterized by strong geopolitical and macroeconomic instability. In July, August and September, the ICT sector recorded a successive worsening in the drop in volumes that began at the end of 2022 in the three geographical areas in which the Group operates and in Europe in general.

The continuous inflationary pressure and the increase in interest rates, as well as the uncertainty of the context have weighed on consumer spending and on companies' investment decisions, recording a further contraction and delaying recovery prospects to the following year.

Although the global scenario and the impacts on the ICT sector are increasingly complex every quarter, the continuous progression of the Group's strategy towards high value-added product and customer segments and the containment of costs are making it possible to offset the market slowdown, albeit partially.

Taking what has been described above into account, net of possible further deterioration in the economic scenario in the context of strong international tensions and considering the sector analysts' estimates forecasting a fourth quarter still under pressure, confident of the effectiveness of its strategy, the Group confirms the 2023 EBITDA adj. guidance in the range between Euro 70 and 80 million, indicatively returning to the values of the 2020 financial year, but with a much higher Gross Profit Margin.

The Esprinet Group also announces that in 2024, after the Shareholders' Meeting and the renewal of the Board of Directors, it will introduce a Business Plan review in light of the profoundly changed conditions of the macroeconomic and geopolitical scenario, as well as of the related effects on the

⁴ Equal to the sum of EBITs – excluding the effects of IFRS 16 – in the last 4 quarters.

⁵ Operating profit (EBIT Adj.), as defined above, net of taxes calculated at the actual tax rate of the reference annual consolidated financial statements.

⁶ Equal to the average of "Loans" at the closing date of the period and at the four previous quarterly closing dates (excluding the equity effects of IFRS 16).

⁷ Equal to the ratio between (a) NOPAT, as defined above, and (b) the average net invested capital as defined above.

ICT sector, on which the 2024 growth estimates were based. The negative impacts of inflation, the cost of money and unpredictability have significantly redefined future development opportunities. Areas that previously showed significant growth trends are now less attractive. Nonetheless, there are new emerging areas characterized by a strong innovation rate and a significant drive towards outsourcing: artificial intelligence, cybersecurity, everything as a service and sustainability. The ICT sector is also gaining ground in other areas, seizing opportunities deriving from the convergence of some sectors towards technology: energy efficiency and renewable energies, and electric mobility are an example of this. Therefore, the Esprinet Group is just as quickly adapting its strategy, preparing to meet the challenges deriving from the recovery expected for next year and from the new market scenario.

The executive charged with the drawing up of the Company's accounting documents, Stefano Mattioli, declares that, in compliance with the provisions of paragraph 2 of art. 154-bis of Legislative Decree No. 58/1998 (T.U.F. - Consolidated Law on Finance), the financial data shown in this press release correspond to the findings resulting from accounting documents, books and accounting records.

It should be noted that the values reported in this document are not audited by the independent auditors.

Esprinet is an enabler of the technological ecosystem, promoting tech democracy with a strong vocation for environmental and social sustainability. With a comprehensive offering of advisory services, IT security, services and products for sale or rental through an extensive network of professional resellers, Esprinet is the leading Group in Southern Europe (Italy, Spain and Portugal), the fourth in Europe and in the top ten at the global level.

Boasting more than 1,800 employees and € 4.7 billion in turnover in 2022, Esprinet (PRT:IM – ISIN IT0003850929) is listed on Borsa Italiana, the Italian stock exchange.

Press release available on www.esprinet.com and on www.emarketstorage.com

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€/000)	9 months 2023	9 months 2022	% Var.	Q3 2023	Q3 2022	% Var.
Sales from contracts with customers	2,744,938	3,217,700	-15%	839,099	1,039,075	-19%
Cost of goods sold excl. factoring/securitisation	2,580,000	3,046,583	-15%	786,913	984,545	-20%
Financial cost of factoring/securitisation ⁽¹⁾	10,828	3,193	>100%	3,523	1,392	>100%
Gross Profit⁽²⁾	154,110	167,924	-8%	48,663	53,138	-8%
<i>Gross Profit %</i>	<i>5.61%</i>	<i>5.22%</i>		<i>5.80%</i>	<i>5.11%</i>	
Personnel costs	67,921	64,643	5%	20,930	19,729	6%
Other operating costs	49,586	48,929	1%	16,075	16,995	-5%
EBITDA adjusted⁽³⁾	36,603	54,352	-33%	11,658	16,414	-29%
<i>EBITDA adjusted %</i>	<i>1.33%</i>	<i>1.69%</i>		<i>1.39%</i>	<i>1.58%</i>	
Depreciation and amortisation	5,059	4,232	20%	1,772	1,469	21%
IFRS 16 Right of Use depreciation	9,389	8,576	9%	3,155	2,857	10%
Goodwill impairment	-	-	n/s	-	-	n/s
EBIT adjusted⁽³⁾	22,155	41,544	-47%	6,731	12,088	-44%
<i>EBIT adjusted %</i>	<i>0.81%</i>	<i>1.29%</i>		<i>0.80%</i>	<i>1.16%</i>	
Non recurring costs ⁽⁴⁾	26,371	2,341	>100%	-	1,954	100%
EBIT	(4,216)	39,203	<100%	6,731	10,134	-34%
<i>EBIT %</i>	<i>-0.15%</i>	<i>1.22%</i>		<i>0.80%</i>	<i>0.98%</i>	
IFRS 16 interest expenses on leases	2,545	2,447	4%	837	801	4%
Other financial (income) expenses	14,445	2,152	>100%	2,604	887	>100%
Foreign exchange (gains) losses	204	2,625	-92%	540	1,263	-57%
Result before income taxes	(21,410)	31,979	<100%	2,750	7,183	-62%
Income taxes	3,491	8,658	-60%	744	1,894	-61%
Net result	(24,901)	23,321	<100%	2,006	5,289	-62%
- of which attributable to non-controlling interests	-	-	n/s	-	-	n/s
- of which attributable to the Group	(24,901)	23,321	<100%	2,006	5,289	-62%

NOTE

⁽¹⁾ Cash discounts for 'non-recourse' advances of trade receivables as part of revolving factoring and securitization programs.

⁽²⁾ Gross of amortization/depreciation that, by destination, would be included in the cost of sales.

⁽³⁾ Adjusted as gross of non-recurring items.

⁽⁴⁾ Of which Euro 26.4 million otherwise included in "Other operating costs" and, with reference to 2022, of which Euro 2.3 million otherwise included in "Other operating costs".

(€/000)	9 months 2023	9 months 2022	Var. %	Q3 203	Q3 2022	Var. %
Sales from contracts with customers	2,744,938	3,217,700	-15%	839,099	1,039,075	-19%
Gross Profit	154,110	167,924	-8%	48,663	53,138	-8%
<i>Gross Profit %</i>	<i>5.61%</i>	<i>5.22%</i>		<i>5.80%</i>	<i>5.11%</i>	
SG&A	117,507	113,572	3%	37,005	36,724	1%
<i>SG&A %</i>	<i>4.28%</i>	<i>3.53%</i>		<i>4.41%</i>	<i>3.53%</i>	
EBITDA adj.	36,603	54,352	-33%	11,658	16,414	-29%
<i>EBITDA adj. %</i>	<i>1.33%</i>	<i>1.69%</i>		<i>1.39%</i>	<i>1.58%</i>	
EBIT adj.	22,155	41,544	-47%	6,731	12,088	-44%
<i>EBIT adj. %</i>	<i>0.81%</i>	<i>1.29%</i>		<i>0.80%</i>	<i>1.16%</i>	
IFRS 16 interest expenses on leases	2,545	2,447	4%	837	801	4%
Other financial (income) expenses	7,499	2,152	>100%	2,604	887	>100%
Foreign exchange (gains) losses	204	2,625	-92%	540	1,263	-57%
Profit before income taxes adj.	11,907	34,320	-65%	2,750	9,137	-70%
<i>Profit before income taxes adj. %</i>	<i>0.43%</i>	<i>1.07%</i>		<i>0.33%</i>	<i>0.88%</i>	
Income taxes	3,491	9,311		744	2,439	
Net Income adj.	8,416	25,009	-66%	2,006	6,698	-70%
<i>Net Income adj. %</i>	<i>0.31%</i>	<i>0.78%</i>		<i>0.24%</i>	<i>0.64%</i>	
Non-recurring costs	33,317	1,688	>100%	-	1,409	>100%
Net Income as reported	(24,901)	23,321	<100%	2,006	5,289	-62%
<i>Net income as reported %</i>	<i>-0.91%</i>	<i>0.72%</i>		<i>0.24%</i>	<i>0.51%</i>	

CONSOLIDATED INCOME STATEMENT

(€/000)	9 months 2023	non - recurring	9 months 2022	non - recurring
Sales from contracts with customers	2,744,938	-	3,217,700	-
Cost of sales	(2,592,540)	-	(3,050,712)	-
Gross profit	152,398	-	166,988	-
Sales and marketing costs	(55,995)	-	(52,539)	-
Overheads and administrative costs	(100,024)	(26,371)	(74,642)	(2,341)
Impairment loss/reversal of financial assets	(595)	-	(604)	-
Operating result (EBIT)	(4,216)	(26,371)	39,203	(2,341)
Finance costs - net	(17,194)	(6,946)	(7,224)	-
Result before income taxes	(21,410)	(33,317)	31,979	(2,341)
Income tax expenses	(3,491)	-	(8,658)	653
Net result	(24,901)	(33,317)	23,321	(1,688)
- of which attributable to non-controlling interests	-	-	-	-
- of which attributable to Group	(24,901)	(33,317)	23,321	(1,688)
Earnings per share - basic (euro)	(0.50)		0.47	
Earnings per share - diluted (euro)	(0.50)		0.47	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/000)	9 months 2023	9 months 2022
Net result (A)	(24,901)	23,321
Other comprehensive income:		
- Changes in translation adjustment reserve	17	46
Other comprehensive income not be reclassified in the separate income statement:		
- Changes in 'TFR' equity reserve	280	630
- Taxes on changes in 'TFR' equity reserve	(67)	(151)
Other comprehensive income (B):	230	525
Total comprehensive income (C=A+B)	(24,671)	23,846
- of which attributable to Group	(24,671)	23,846
- of which attributable to non-controlling interests	-	-

CONSOLIDATED INCOME STATEMENT OF THE THIRD QUARTER

(€/000)	Q3 2023	non - recurring	Q3 2022	non - recurring
Sales from contracts with customers	839,099	-	1,039,075	-
Cost of sales	(791,067)	-	(986,266)	-
Gross profit	48,032	-	52,809	-
Sales and marketing costs	(17,061)	-	(16,198)	-
Overheads and administrative costs	(23,774)	-	(25,840)	(1,954)
Impairment loss/reversal of financial assets	(466)	-	(637)	-
Operating result (EBIT)	6,731	-	10,134	(1,954)
Finance costs - net	(3,981)	-	(2,951)	-
Result before income taxes	2,750	-	7,183	(1,954)
Income tax expenses	(744)	-	(1,894)	545
Net result	2,006	-	5,289	(1,409)
- of which attributable to non-controlling interests	-	-	-	-
- of which attributable to Group	2,006	-	5,289	(1,409)
Earnings per share - basic (euro)	0.04	-	0.11	-
Earnings per share - diluted (euro)	0.04	-	0.11	-

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE THIRD QUARTER

(€/000)	Q3 2023	Q3 2022
Net result (A)	2,006	5,289
Other comprehensive income:		
- Changes in translation adjustment reserve	5	50
Other comprehensive income not be reclassified in the separate income statement:		
- Changes in 'TFR' equity reserve	246	209
- Taxes on changes in 'TFR' equity reserve	(59)	(50)
Other comprehensive income (B):	192	209
Total comprehensive income (C=A+B)	2,198	5,498
- of which attributable to Group	2,198	5,498
- of which attributable to non-controlling interests	-	-

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)	30/09/2023	31/12/2022
Fixed assets	274,218	258,453
Operating net working capital	381,021	261,593
Other current assets/liabilities	9,355	(3,222)
Other non-current assets/liabilities	(48,031)	(24,574)
Total uses	616,563	492,250
Short-term financial liabilities	189,388	82,163
Lease liabilities	11,696	10,740
Current financial (assets)/liabilities for derivatives	(7)	24
Financial assets held for trading	(114)	-
Financial receivables from factoring companies	(83)	(3,207)
Current debts for investments in subsidiaries	8,393	2,455
Other financial receivables	(9,097)	(10,336)
Cash and cash equivalents	(114,373)	(172,185)
Net current financial debt	85,803	(90,346)
Borrowings	72,983	71,118
Lease liabilities	101,198	101,661
Non-current debts for investments in subsidiaries	600	600
Net Financial debt	260,584	83,033
Net equity	355,979	409,217
Total sources of funds	616,563	492,250

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€/000)	30/09/2023	31/12/2022
ASSETS		
Non - current assets		
Property, plant and equipment	27,855	20,199
Right of use assets	106,682	106,860
Goodwill	118,768	110,303
Intangibles assets	8,784	9,652
Deferred income tax assets	9,459	9,091
Receivables and other non - current assets	2,670	2,348
	274,218	258,453
Current assets		
Inventory	614,222	672,688
Trade receivables	548,479	701,071
Income tax assets	4,835	1,113
Other assets	70,845	68,908
Derivative financial assets	7	-
Financial assets held for trading	114	-
Cash and cash equivalents	114,373	172,185
	1,352,875	1,615,965
Total assets	1,627,093	1,874,418
EQUITY		
Share capital	7,861	7,861
Reserves	373,019	354,010
Group net income	(24,901)	47,346
Group net equity	355,979	409,217
Non - controlling interest	-	-
Total equity	355,979	409,217
LIABILITIES		
Non - current liabilities		
Borrowings	72,983	71,118
Lease liabilities	101,198	101,661
Deferred income tax liabilities	17,757	16,646
Retirement benefit obligations	5,403	5,354
Debts for investments in subsidiaries	600	600
Provisions and other liabilities	24,871	2,574
	222,812	197,953
Current liabilities		
Trade payables	781,680	1,112,166
Short-term financial liabilities	189,388	82,163
Lease liabilities	11,696	10,740
Income tax liabilities	1,510	1,058
Derivative financial liabilities	-	24
Debts for investments in subsidiaries	8,393	2,455
Provisions and other liabilities	55,635	58,642
	1,048,302	1,267,248
Total liabilities	1,271,114	1,465,201
Total equity and liabilities	1,627,093	1,874,418

CONSOLIDATED STATEMENT OF CASH FLOWS

(euro/000)	9 months 2023	9 months 2022
Cash flow provided by (used in) operating activities (D=A+B+C)	(109,953)	(568,334)
Cash flow generated from operations (A)	30,939	53,460
Operating income (EBIT)	(4,216)	39,203
Depreciation, amortisation and other fixed assets write-downs	14,448	12,808
Net changes in provisions for risks and charges	(146)	(63)
Provision for taxes in instalment	22,833	-
Net changes in retirement benefit obligations	(93)	(74)
Stock option/grant costs	(1,887)	1,586
Cash flow provided by (used in) changes in working capital (B)	(130,104)	(607,030)
Inventory	63,696	(264,451)
Trade receivables	161,750	35,693
Other current assets	(7,764)	3,544
Trade payables	(335,924)	(388,194)
Other current liabilities	(11,862)	6,378
Other cash flow provided by (used in) operating activities (C)	(10,788)	(14,764)
Interests paid	(8,055)	(3,263)
Received interests	712	78
Foreign exchange (losses)/gains	139	(2,369)
Income taxes paid	(3,584)	(9,210)
Cash flow provided by (used in) investing activities (E)	(16,546)	(8,611)
Net investments in property, plant and equipment	(11,494)	(8,414)
Net investments in intangible assets	(152)	(294)
Net investments in other non current assets	(313)	97
Subsidiaries business combination	(4,587)	-
Cash flow provided by (used in) financing activities (F)	68,687	150,843
Medium/long term borrowing	23,000	13,000
Repayment/renegotiation of medium/long-term borrowings	(26,220)	(20,757)
Leasing liabilities reimbursement	(8,993)	(8,110)
Net change in financial liabilities	106,019	195,805
Net change in financial assets and derivative instruments	4,963	(2,276)
Deferred price acquisitions	(2,286)	(2,039)
Dividend payments	(27,796)	(24,780)
Net increase/(decrease) in cash and cash equivalents (G=D+E+F)	(57,812)	(426,102)
Cash and cash equivalents at year-beginning	172,185	491,471
Net increase/(decrease) in cash and cash equivalents	(57,812)	(426,102)
Cash and cash equivalents at year-end	114,373	65,369

Declaration of the manager responsible for preparing the accounting documents

DECLARATION UNDER ARTICLE 154-bis, par. 2 of the Financial Consolidation Act.

OBJECT: Additional periodic financial information as at 30 September 2023

The undersigned Stefano Mattioli, the manager responsible for preparing the accounting documents of

ESPRINET S.p.A.

in accordance with the provisions set forth in Article 154 bis, of the "Finance Consolidation Act"

HEREBY DECLARES

that the Additional periodic financial information as at 30 September 2023 corresponds to the accounting documents, books and records.

Vimercate, 13 November 2023

The Manager responsible for preparing
the company accounting documents

(Stefano Mattioli)

Fine Comunicato n.0533-50

Numero di Pagine: 16