



#WeAreExclusive

# Exclusive Networks

H1-22 Earnings call



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# H1-22 Highlights



Strong momentum with **Gross Sales increasing by +33.8% y-o-y, and Adj. EBITA growing +39.3% year on year**



**Continued outperformance vs. the market** in all core segments thanks to EXN strategy and execution capabilities



**Very strong profitability with Adj. EBITA at 35.4% over Net Margin** supported by more large transactions and strong operating leverage



**Increased cash generation**, with operating cash flow standing at €166.2m and cash conversion<sup>1</sup> at 227.7% in H1-22



**2022 Outlook raised**

(1) Defined as Operating Cash Flow Before Tax divided by Adjusted EBITDA



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# Business performance

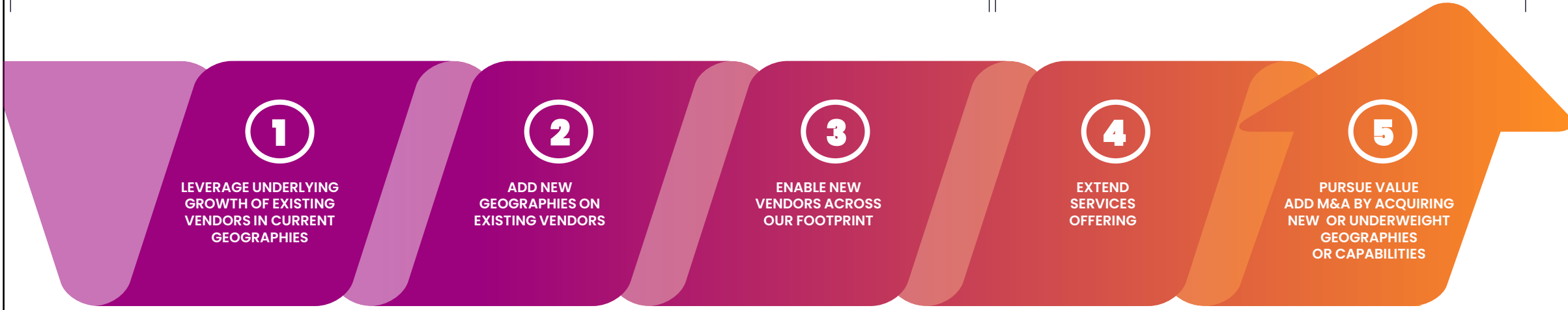
**Jesper Trolle**  
**CEO**



# H1-22 performance demonstrates the strength of the strategy

## GROWTH DRIVERS

## INCREMENTAL ACCELERATORS



1

LEVERAGE UNDERLYING GROWTH OF EXISTING VENDORS IN CURRENT GEOGRAPHIES

**+1,255** net new resellers

**>4.6x** yoy growth in resellers on X-OD

**>7x** yoy growth in transactions on X-OD

2

ADD NEW GEOGRAPHIES ON EXISTING VENDORS

**8 existing** vendors country expansion signed

**12** in discussion

3

ENABLE NEW VENDORS ACROSS OUR FOOTPRINT

**4 net new** vendors signed

**14** in the pipeline

4

EXTEND SERVICES OFFERING

Increased **Level 1 & 2 support** for Tanium

**ATC<sup>1</sup>** signed with Fortinet for North America

Signed **ASC<sup>2</sup>** in EMEA for Netskope, Tanium and SentinelOne

5

PURSUE VALUE ADD M&A BY ACQUIRING NEW OR UNDERWEIGHT GEOGRAPHIES OR CAPABILITIES

Continued discussions with potential targets

Networks Unlimited officially begun its operations as Exclusive Networks Africa

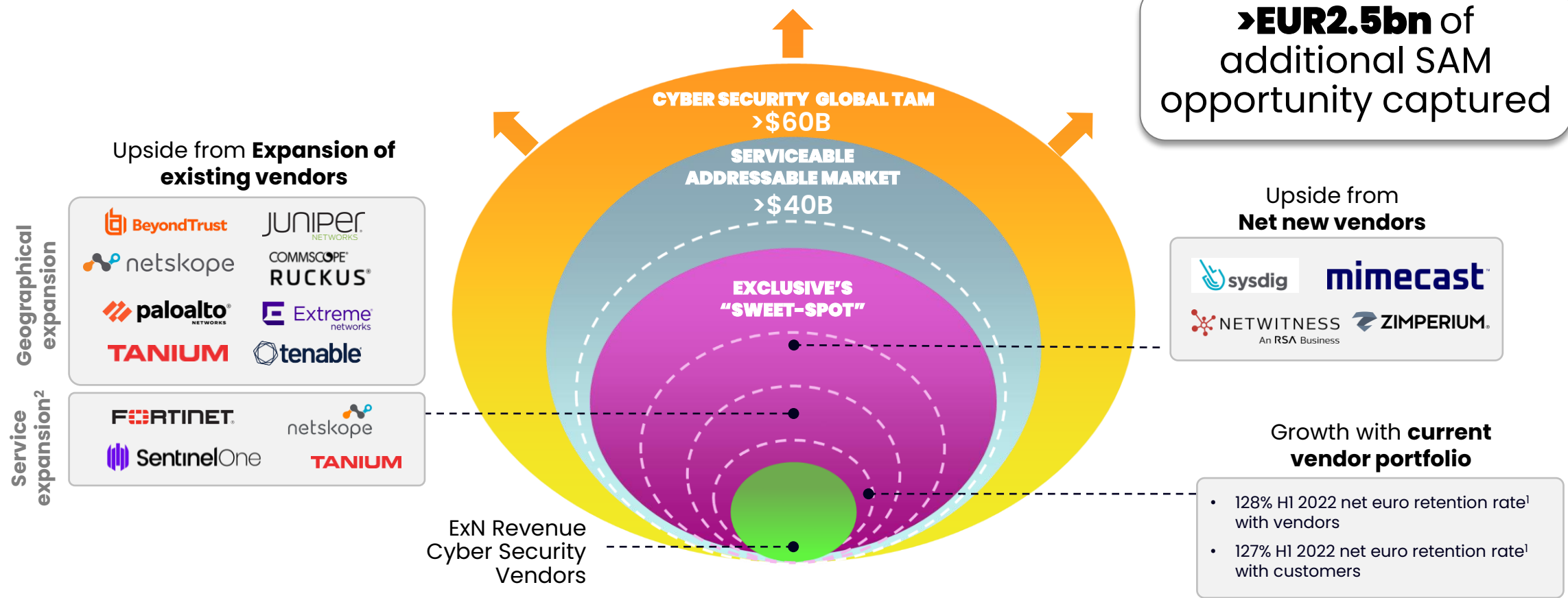
Delivering on our strategy and increasing our influence in the cyber ecosystem

(1) ATC: Authorized Training Center  
 (2) ASC: Authorized Support Center



# Expanding within our market in H1-22

**>EUR2.5bn** of additional SAM opportunity captured



### EXCLUSIVE NETWORKS'S "SWEET-SPOT"

Select cybersecurity products which represent majority of Exclusive NETWORKS's sales (assuming current penetration)

### SERVICEABLE ADDRESSABLE MARKET

All cybersecurity products and select services via 2-Tier distribution (assuming current penetration)

### CYBER SECURITY GLOBAL TAM

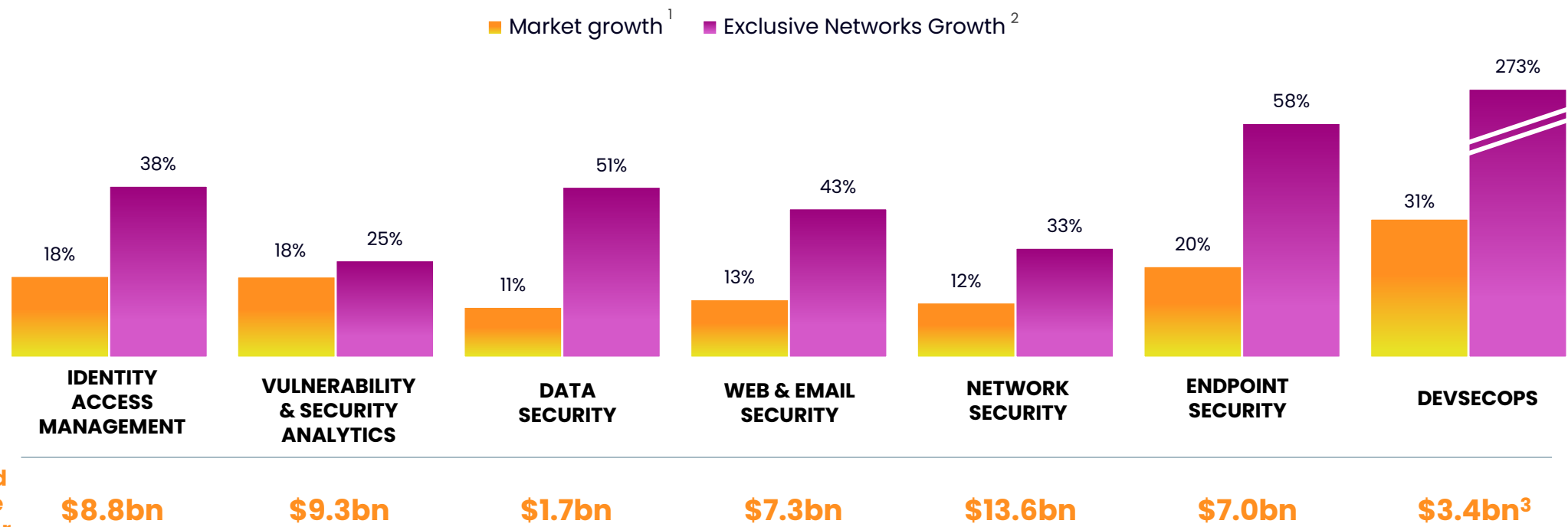
Global market for cybersecurity products and select services

1. Defined as Gross Sales generated in year N from vendors/customers active in year N-1 divided by Gross Sales from the same vendors/customers in year N-1  
 2. Includes ASC in EMEA for Netskope, Tanium and SentinelOne; ATC with Fortinet North America; Increased Level 1 & 2 support for Tanium



# Outperforming all core cybersecurity subsegments in H1-22

## TOP TIER CYBERSECURITY SEGMENTS GROWTH IN H1-22



Estimated size of the market for 2022<sup>1</sup>

**Our steady outperformance proves our model resonates with our customers**

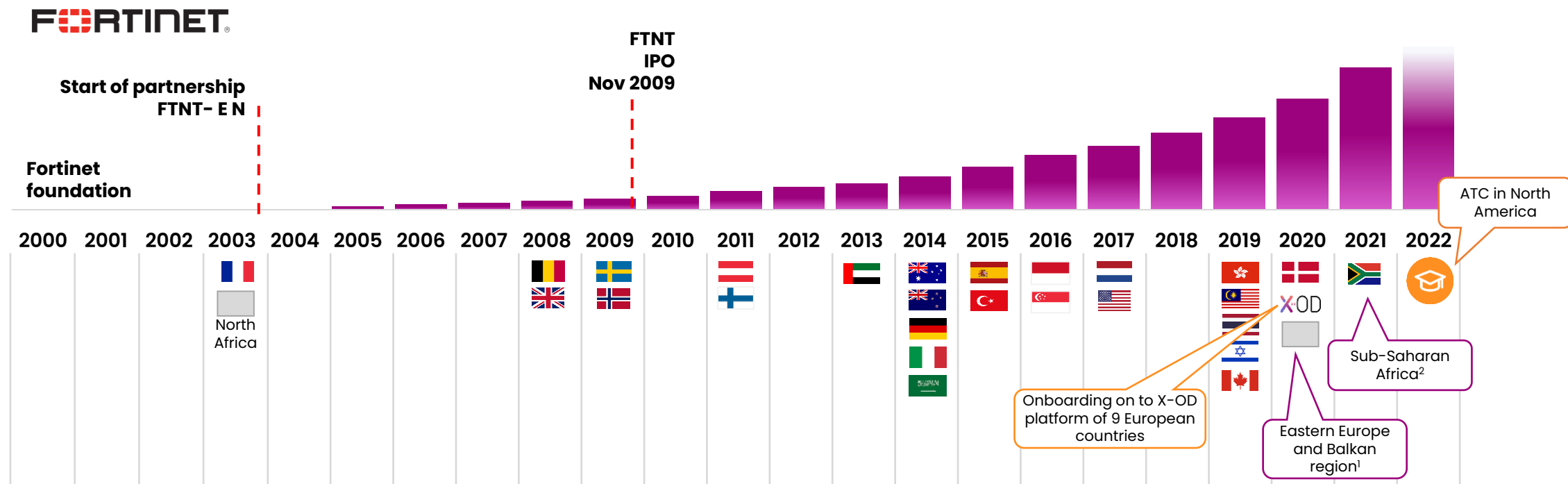
(1) Canalis forecast for the global market  
 (2) Management estimates  
 (3) Data Bridge Market Research



# Long-term tight relationships with our vendors is a key pillar of the strategy

## Fortinet geographical and services expansion with Exclusive Networks

Geographical expansion and Fortinet revenue growth



**We identify the winners early on and act as key partners in supporting their global growth**

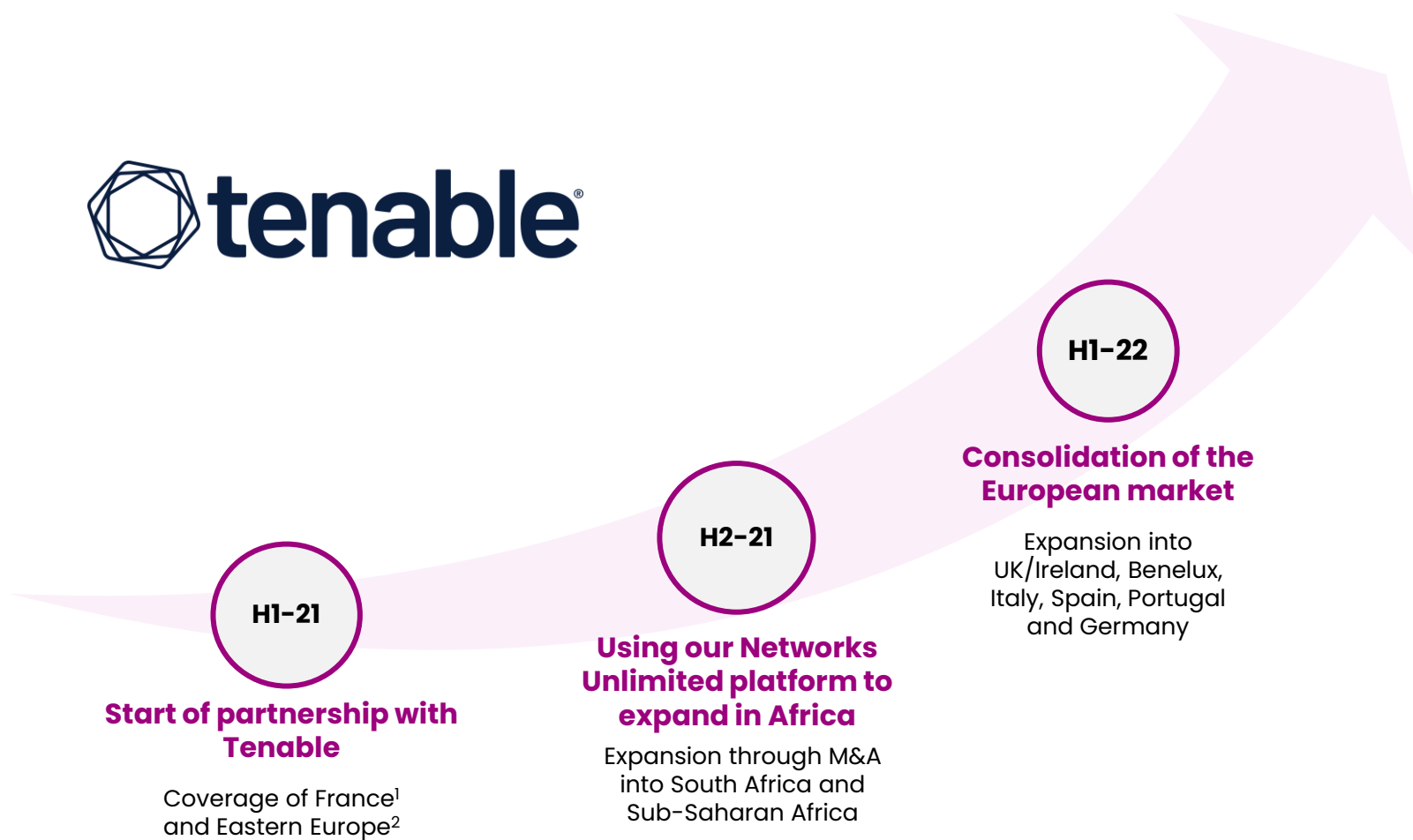
Source: Fortinet revenue information from public filings

- Including Bosnia & Hercegovina, Bulgaria, Croatia, Czech Republic, Serbia, Montenegro, Republic of North Macedonia, Kosovo, Albania, Romania, Poland, Serbia
- African Union, Benin, Bostwana, Burkina Faso, Cameroon, Congo (Brazzaville), Congo (DRC-Kinshasa), Ethiopia, Ghana, Guinea, Ivory Coast, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Swaziland, Tanzania, Togo, Uganda and Zambia & Mauritius





# Replicating our “land and expand” strategy with new vendors: the Tenable example



**H1-21**

**Start of partnership with Tenable**

Coverage of France<sup>1</sup> and Eastern Europe<sup>2</sup>

**H2-21**

**Using our Networks Unlimited platform to expand in Africa**

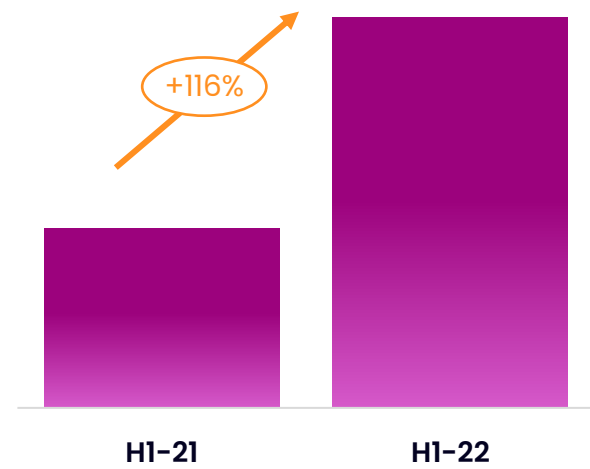
Expansion through M&A into South Africa and Sub-Saharan Africa

**H1-22**

**Consolidation of the European market**

Expansion into UK/Ireland, Benelux, Italy, Spain, Portugal and Germany

**EVOLUTION OF EXCLUSIVE NETWORKS BUSINESS WITH TENABLE**  
Gross sales, EURm

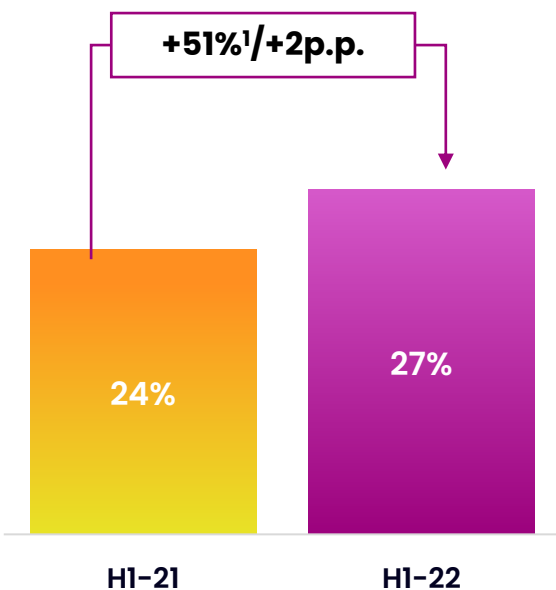


1. France coverage through ALSID  
2. Expansion into Eastern Europe through Veracomp acquisition

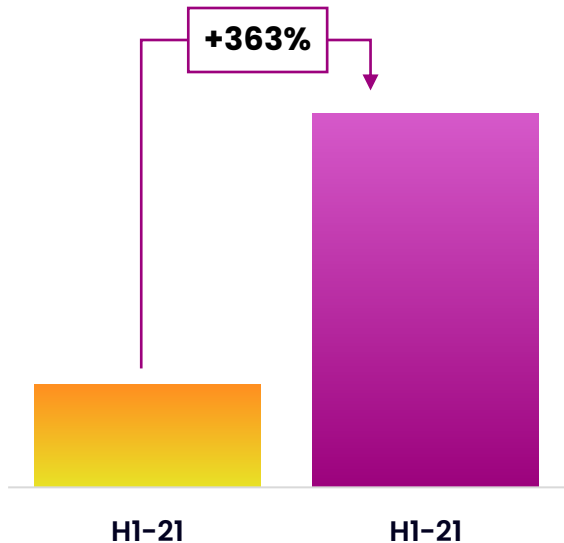


# The cloud business keeps growing at outstanding rates

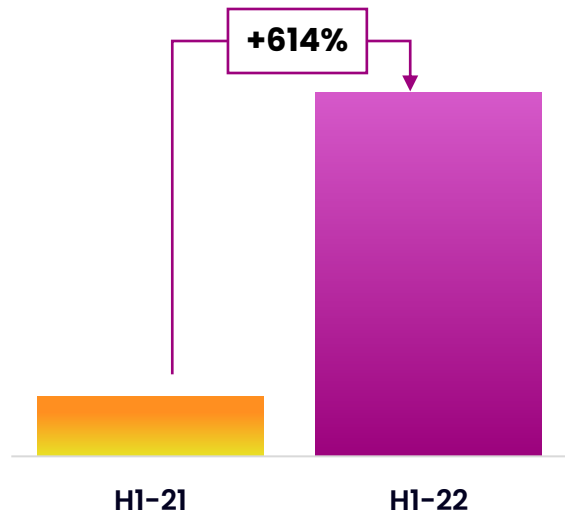
**% OF CLOUD-BASED SALES**



**NUMBER OF PARTNERS ON OUR X-OD PLATFORM**



**NUMBER OF TRANSACTIONS ON OUR X-OD PLATFORM**



(i) Year over year growth of cloud-based business



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# Financial Overview

**Pierre Boccon-Liaudet**  
**CFO**



# H1-22 financial highlights: outstanding growth while improving profitability and leverage

## RECORD SCALE

**€1.9 bn**

Gross Sales in H1-22  
All-time high half-year sales

## ACCELERATING GROWTH

**+33.8%**

H1-22 reported Gross Sales vs H1-21  
+31.2% at constant currency

## INCREASED PROFITABILITY

**€66.5m**

Adj. EBITA, up **39.3%** y-o-y  
Adj. EBITA over Net margin **35.4%**

## STRONG CASH GENERATION

**227.7%**

of cash conversion<sup>1</sup>

## HIGH VALUE-ADD FOCUSED

**107%**

ROCE<sup>2</sup>

## DISCIPLINED BALANCE SHEET

**1.8x**

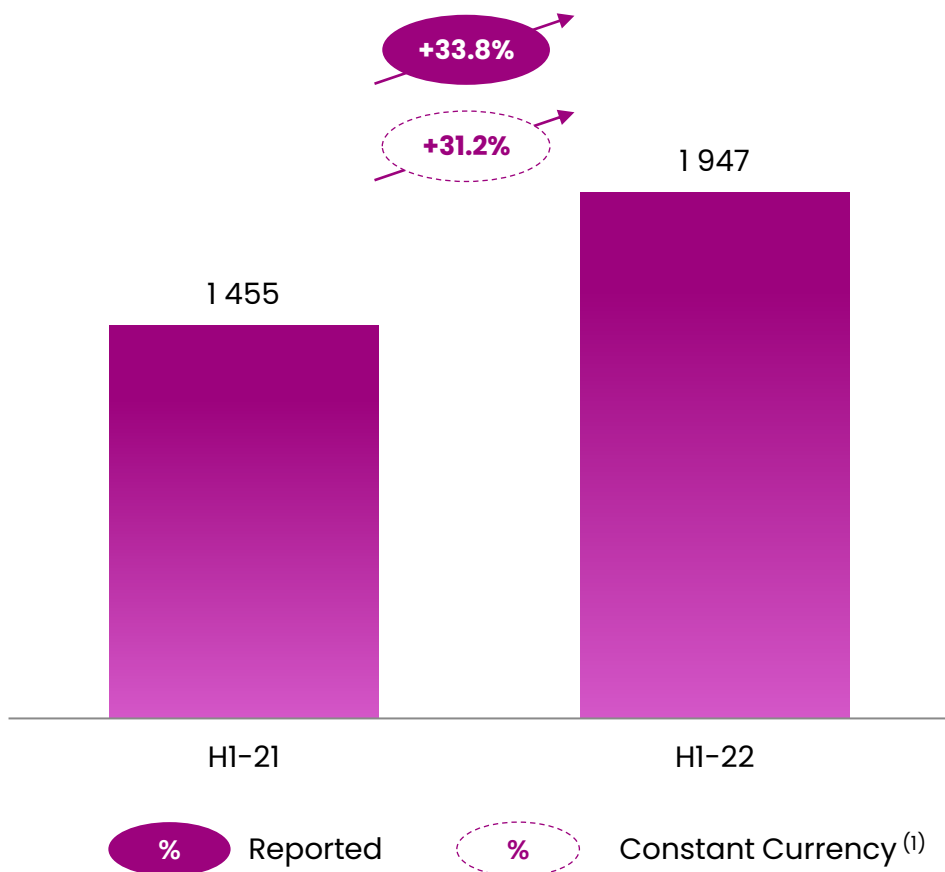
Net Debt / Adj. EBITDAAR LTM  
Down from 3.1x in Dec-21

(1) Defined as Operating Cash Flow Before Tax divided by Adjusted EBITDA  
(2) ROCE defined as Adj. EBITA LTM divided by the sum of non-current assets (excluding Goodwill and other intangible assets) and net working capital, from June 2022 IFRS accounts.

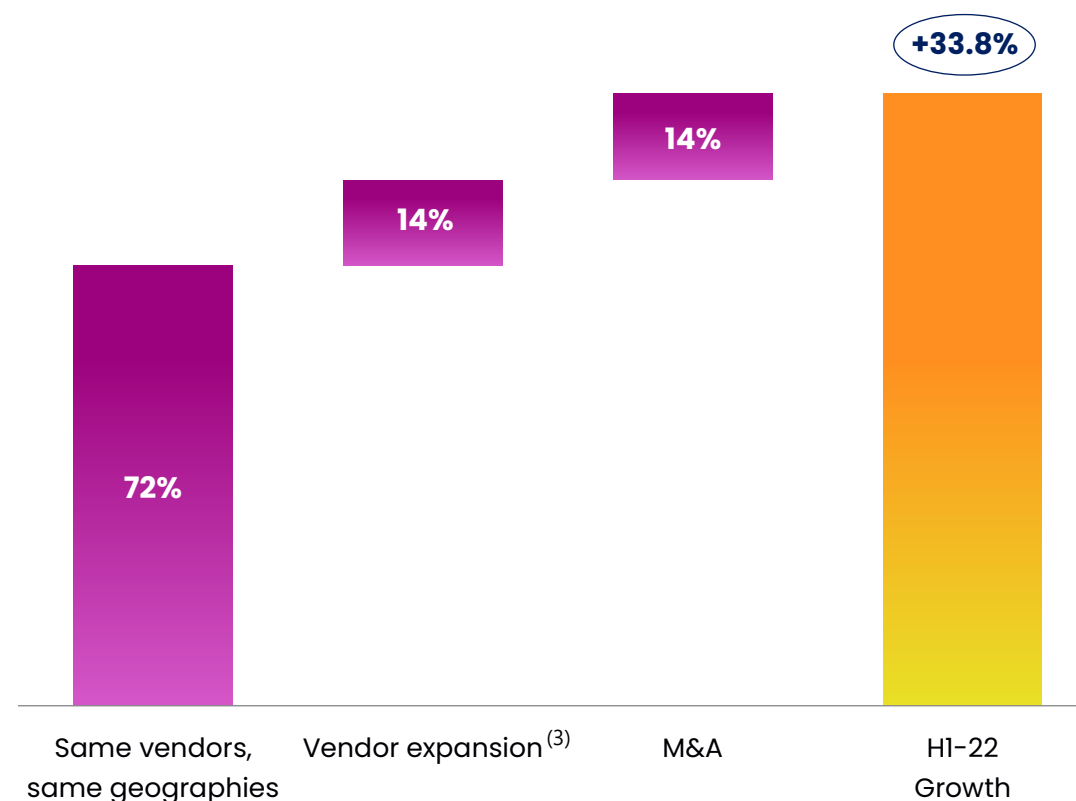


# Outstanding H1-22 Gross Sales growth with strong contribution from growth with our current vendors

## H1-22 GROSS SALES EURm



## H1-22 DRIVERS OF GROWTH Contribution to Gross Sales growth<sup>(2)</sup>

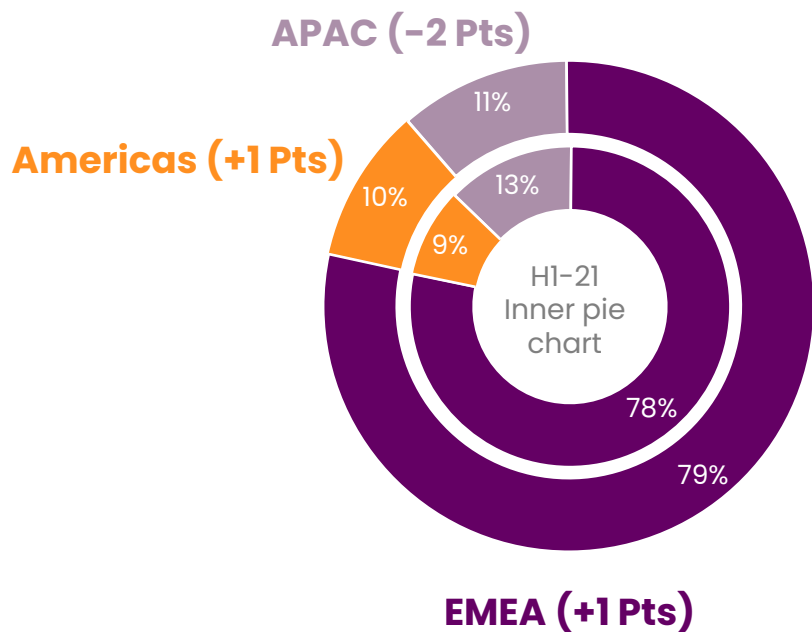


1. Variation at constant currency is computed using the first half of 2021 rates applied to the first half of 2022  
 2. New geographies / new vendors analysis performed on single vendors above €100K annual Gross Sales  
 3. Vendor Expansion: -5% from existing vendors in new geographies and -9% from new vendors.

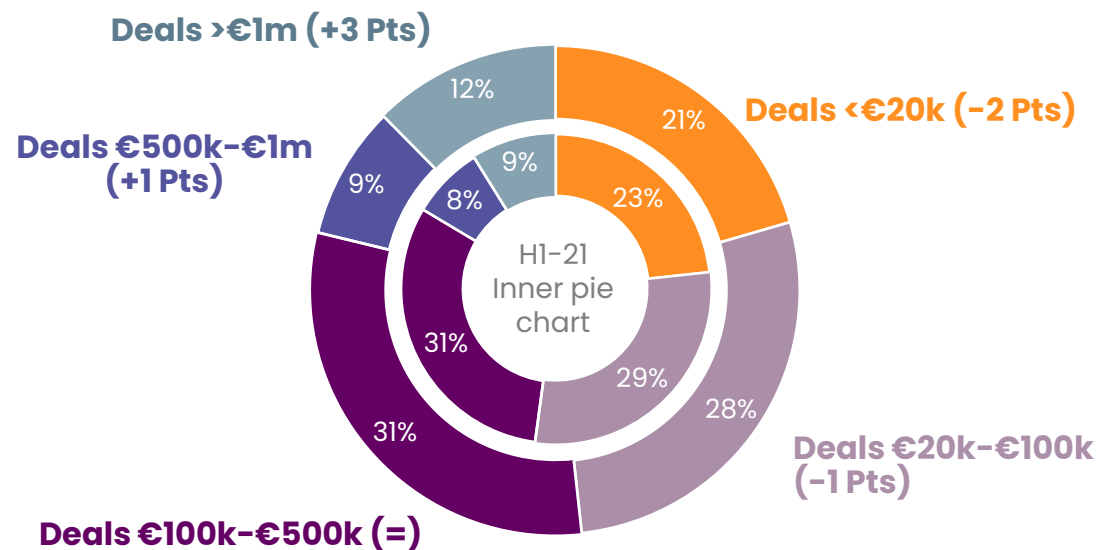


# Significant increase in larger deals vs. H1-21

## H1-22 Gross Sales Breakdown by Geography



## H1-22 Gross Sales Breakdown by Deal Size<sup>1</sup>



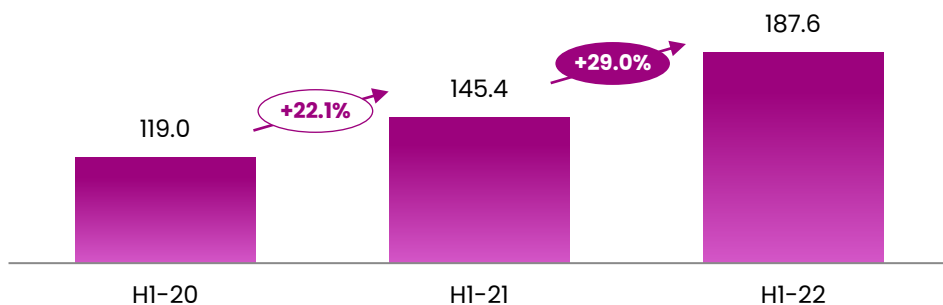
1. Sources: Gross Sales & Management Reporting  
 2. Breakdown calculated by invoice based on Gross Sales pre-rebates



# Our operational leverage translates into improved Adj. EBITA margin

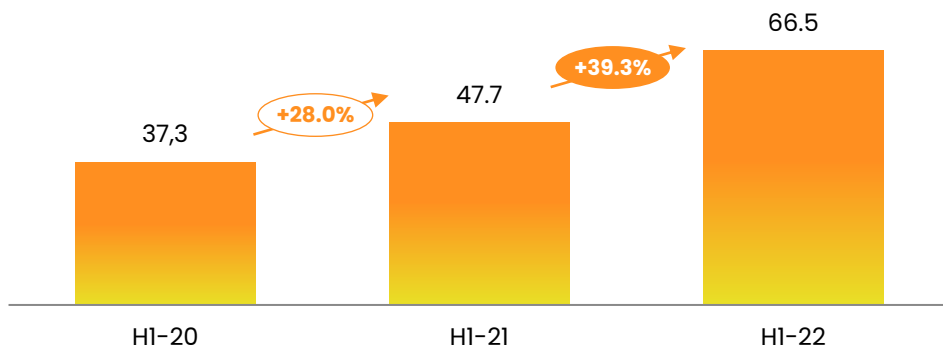
## Continued acceleration of Net Margin growth

EURm

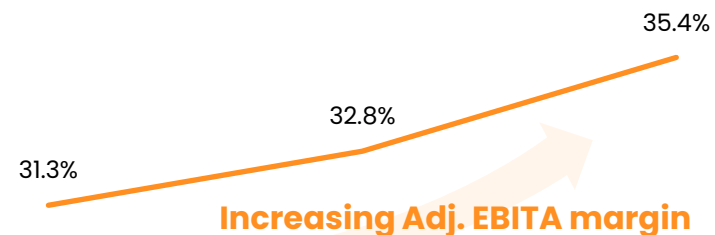
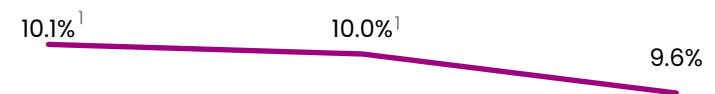


## Operational leverage fuels Adj. EBITA growth

EURm



## Improved profitability of the business



— Net Margin<sup>2</sup> (% of Gross Sales)  
— Adj. EBITA (% of Net Margin)

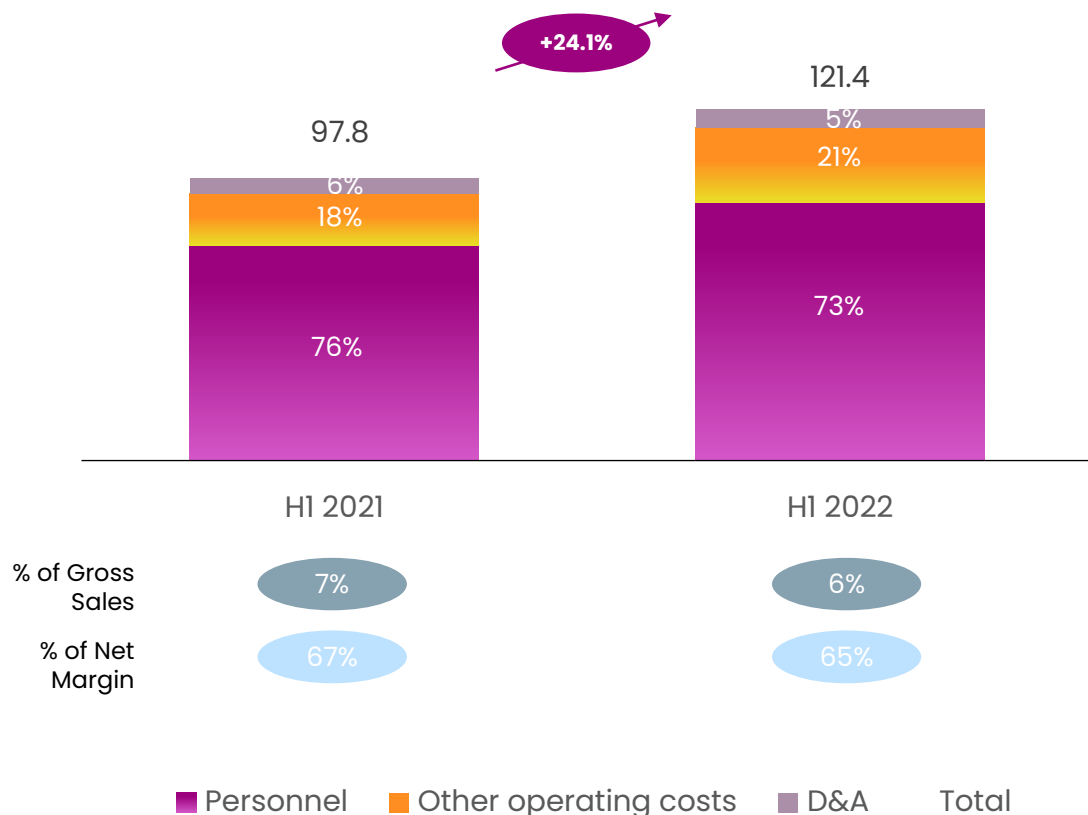
1. Based on restated Gross Sales for H1 2020 in line with new reporting methodology (see appendix)  
2. Net Margin % at 10.0%, 9.8% and 9.4% for H1 2022, H1 2021 and H1 2020 respectively based on previous reporting methodology for Gross Sales



# Controlled OPEX growth accelerating operational leverage

## Continued acceleration of Net Margin growth

EURm



► **Positive Jaws** effect as operating expenses increase +24.1% at a lower pace than top line +33.8% driven by financial discipline and operating leverage

► **Personnel costs**

- Decreased below 75% of total operating costs
- Higher personnel costs due to increase in number of employees, M&A and FX impact

► **Other Operating Costs** increased mainly linked to T&E and marketing spend rebound post Covid.



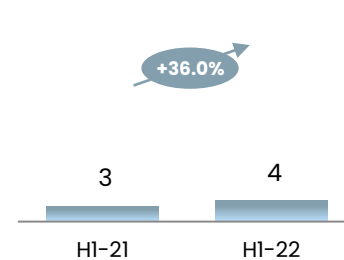
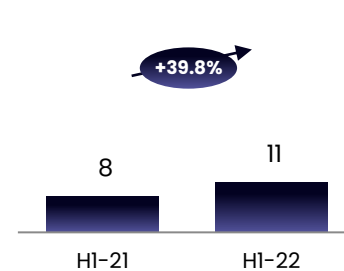
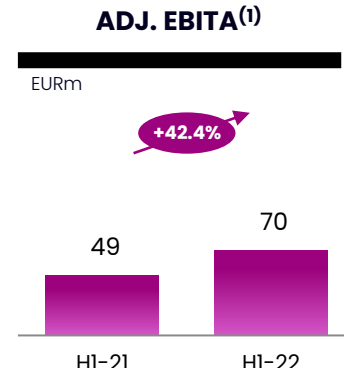
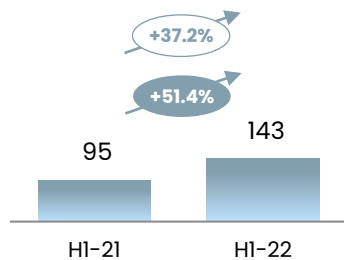
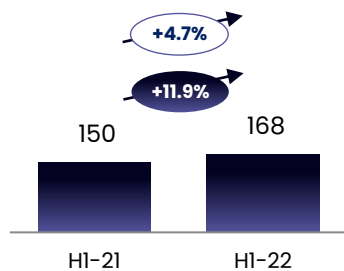
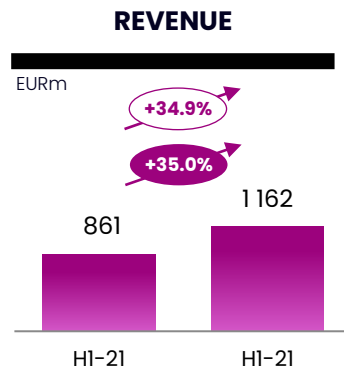
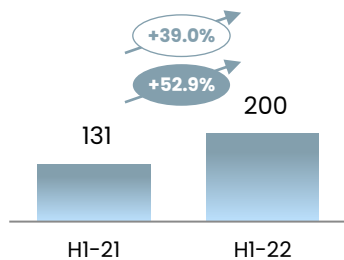
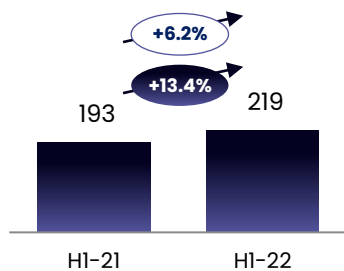
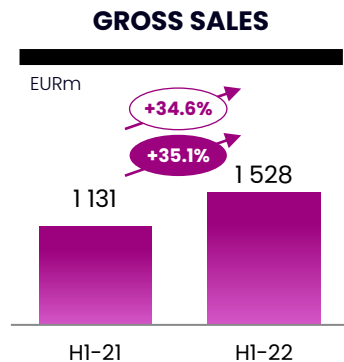


# Outstanding & consistent profitability growth across regions

**EMEA**  
79% of H1-22 Gross Sales

**APAC**  
11% of H1-22 Gross Sales

**AMERICAS**  
10% of H1-22 Gross Sales



○ Constant Currency <sup>(2)</sup> ● Reported

**EMEA**

- Strong growth in all EMEA countries with an increasing share of large deals, particularly in the UK and Germany
- Improved profitability thanks to a powerful operating leverage, contained OPEX.

**APAC**

- Growth supported by increase of large deals and strong performance in Singapore and in the Philippines.
- Solid Profitability fuelled by a sustained margin level and low opex growth.

**AMERICAS**

- Strong performance with high demand for cybersecurity solutions, ramp up of new vendors and sustained enterprise momentum with large deals
- Strong profitability performance while continuing to invest in the Region.

1. Excluding Corporate segment  
2. Variation at constant currency is computed using the first half of 2021 rates applied to the first half of 2022



# Outstanding profitability improvement

<i>in € million</i>	H1 2021	H1 2022	Change	
			Reported	Constant Currency <sup>1</sup>
<b>Gross sales</b>	<b>1,455.1</b>	<b>1,947.4</b>	<b>33.8%</b>	<b>31.2%</b>
<b>Revenue</b>	<b>1,105.9</b>	<b>1,473.7</b>	<b>33.3%</b>	<b>31.0%</b>
<b>Net Margin</b>	<b>145.4</b>	<b>187.6</b>	<b>29.0%</b>	
<i>% Gross Sales</i>	<i>10.0%</i>	<i>9.6%</i>	<i>-0.4 pt</i>	
<b>Adj. EBITA</b>	<b>47.7</b>	<b>66.5</b>	<b>39.3%</b>	
<i>% Net Margin</i>	<i>32.8%</i>	<i>35.4%</i>	<i>+2.6 pt</i>	
<b>Adj. Net Income</b>	<b>31.8</b>	<b>47.4</b>	<b>49.0%</b>	

1. Variation at constant currency is computed using the second half of 2021 rates applied to the first half of 2022 Gross Sales. The USD, GBP and PLN evolved as follows; 1EUR: 1.094 USD; 1EUR: 0.842 GBP, 1EUR: 4.633 PLN respectively for H1 2022 and 1EUR: 1.206 USD, 1EUR: 0.868 GBP, 1EUR: 4.537 PLN respectively for H1 2021.



# Improved working capital profile contributing to strong cash generation

EURm	Jun-21	Dec-21	Jun-22
Trade receivables	610	893	836
<i>% of Gross Sales</i>	21%	27%	22%
Other receivables	62	63	59
Inventories	101	150	184
<i>% of Gross Sales</i>	4%	5%	5%
Trade payables	-548	-790	-860
<i>% of Gross Sales</i>	-19%	-24%	-22%
Other liabilities	-134	-160	-166
<b>Net Working Capital</b>	<b>91</b>	<b>155</b>	<b>53</b>
<b><i>% of Gross Sales</i></b>	<b>3%</b>	<b>5%</b>	<b>1%</b>



# Strong cash flow generation and conversion

In €m	H1-20	H1-21 <sup>1</sup>	H1-22
(-) Change in NWC	51	21	103
<b>Operating Free Cash Flow Before Tax</b>	<b>85</b>	<b>60</b>	<b>166</b>
Adjusted EBITDA <sup>4</sup> Conversion %	203.7%	111.7%	227.7%
	137% Normalized <sup>3</sup>	140% Normalized <sup>2</sup>	
<b>Free Cash Flow</b>	<b>80</b>	<b>47</b>	<b>156</b>

Source: H1-22 IFRS accounts

1. Restated to reflect new reporting methodology

2. €15m normalization items corresponding to reversals of €7m of cash inflow from 2020 UK VAT scheme and €8m exceptional improvement of payment terms with one vendor

3. €28m normalization items (€20m one-off delayed VAT payment in the UK and €8m exceptional improvements of payment terms with one vendor)

4. Adjusted EBITDA defined as Adjusted EBITA + Depreciation and Amortisation excluding Amortisation of intangible assets



# Further strengthening of balance sheet from disciplined financial profile and cash generation

EURm	Dec-21	Jun-22
Bank Borrowings	454	451
Bank Overdraft	5	11
Short-term Loans	39	35
Factoring Liabilities	23	21
<b>Financial Gross Debt</b>	<b>521</b>	<b>518</b>
Cash & Cash Equivalent	130	257
<b>Net Debt</b>	<b>392</b>	<b>261</b>
<i>Leverage (Net debt / LTM Adj. EBITDA after Lease)</i>	<i>3.1x</i>	<i>1.8x</i>

## › Bank Borrowings

- Financing as put in place at IPO
- No utilisation of the EUR120m RCF as of 30 June 2022

## › Bank overdraft & Short term Loans

- Slight increase in Bank Overdraft offset by the slight reduction in short-term loans

## › Factoring Liabilities

- Slight reduction in factoring liabilities with recourse, some of it converted into without recourse

## › Cash & cash equivalents

- Strong cash generation from outstanding operating results and improved working capital

-> **Net Debt reduced by € 131m over H1-22 & Leverage was 1.8x**



# Revised outlook for 2022

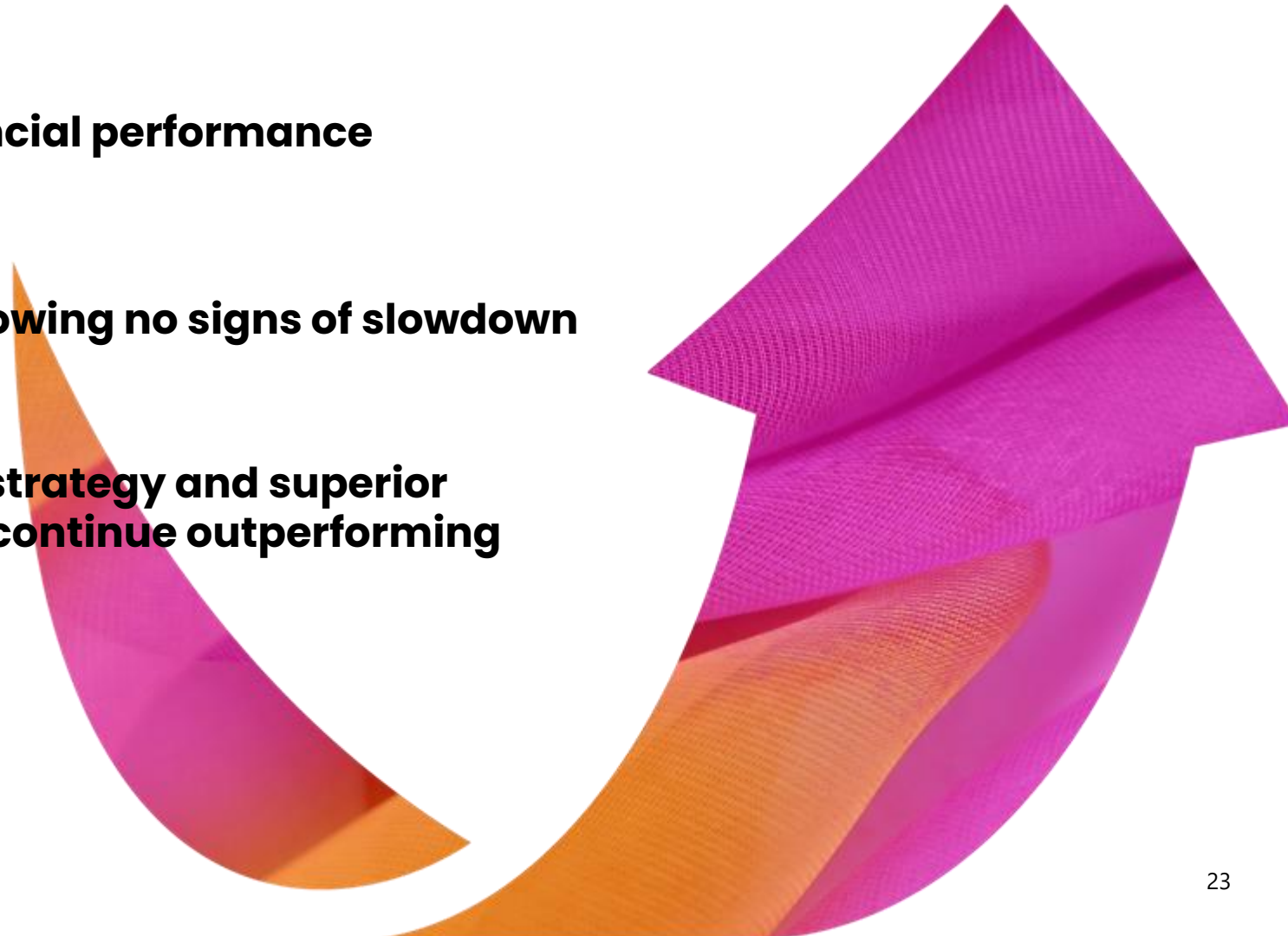
	2022 Outlook (March 29, 2022)	Revised 2022 Outlook (September 14, 2022)
<b>Gross Sales <u>incl. M&amp;A</u></b>	› Above €3,800m	› Above €4,200m
<b>Net Margin</b>	› €362 – €368m	› €392 – €400m
<b>Adj. EBITA</b>	› €133 – €138m	› €146 – €152m
<b>Operating FCF Before Tax</b>	› 80% of Adj. EBITDA <sup>1</sup>	› 160% of Adj. EBITDA <sup>1</sup>

1. Adjusted EBITDA defined as Adjusted EBITA + Depreciation and Amortisation excluding Amortisation of intangible assets



# Key Takeaways

- 1** Outstanding H1 2022 financial performance
- 2** Cybersecurity market showing no signs of slowdown
- 3** Strong confidence in our strategy and superior execution capabilities to continue outperforming
- 4** Outlook raised for 2022





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# Q&A

**We welcome any  
questions you may have**





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# Appendix



# Changes in Gross Sales reporting methodology

- Up to Q1 2022 Gross Sales publication, Exclusive Networks Gross Sales KPI was defined as follows:  
*“Gross Sales represent revenue recognized by the Group on a gross basis for each revenue stream (i.e. Solutions and Support/Maintenance) and before intra and inter segment intercompany eliminations. Net of returns, discount and rebates”.*
- Historically, the business model of Exclusive Networks was such that each entity within the Group was managing its own buy-and-sell activities, resulting into intra and inter segment sales non-significant at Group level (47m€ in 2021 i.e. 1.4% of gross sales, 25m€ in 2020) and not distorting the perception of the Group's financial performance. However, these intra and inter segment sales are expected to increase in the future due to (i) the implementation of a new operating model to support some vendors' growth within EMEA, with some inventory to be held in one European country for the whole EMEA area; (ii) the growth pattern of the Company.
- Considering the above-described evolutions, the Group decided to exclude the intra and inter segment sales from its Gross Sales KPI in FY2022 to improve the relevance and reliability of its Gross Sales indicator to the market. Effective Q2 2022 Gross Sales publication, the Gross Sales indicator will be defined as follows:  
*“Gross Sales represent revenue from third parties recognized by the Group on a gross basis for each revenue stream. Net of returns, discount and rebates. »*

For comparability purposes, historical figures have been restated according to the new definition.



# Reconciliation of Gross Sales before and after IC eliminations

## GROSS SALES PUBLISHED BEFORE INTERCOMPANY ELIMINATION

EURm

	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1-22	Q2-22
EMEA	585.3	567.9	608.3	817.9	2,579.5	742.3	828.4
APAC	103.5	89.8	103.0	98.0	394.3	96.6	122.7
AMERICAS	57.8	73.0	93.6	122.3	346.7	93.4	106.7
<b>TOTAL</b>	<b>746.7</b>	<b>730.7</b>	<b>804.9</b>	<b>1,038.2</b>	<b>3,320.4</b>	<b>932.4</b>	<b>1,057.9</b>

## GROSS SALES AFTER INTERCOMPANY ELIMINATION

EURm

	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1-22	Q2-22
EMEA	573.0	557.8	597.0	804.4	2,532.3	730.3	797.8
APAC	103.4	90.0	103.1	98.0	394.5	96.6	122.7
AMERICAS	57.8	73.0	93.5	122.3	346.7	93.4	106.7
<b>TOTAL</b>	<b>734.2</b>	<b>720.8</b>	<b>793.6</b>	<b>1,024.8</b>	<b>3,273.4</b>	<b>920.3</b>	<b>1,027.1</b>



# Operating expenses reconciliation

## Personnel costs

In €m	H1 2021	H1 2022
<b>Reported Personnel Costs</b>	<b>72.4</b>	<b>90.3</b>
Project Core <sup>(1)</sup> - Personnel costs	-0.8	-1.2
Other items <sup>(2)</sup>	-2.3	-2.5
Reclass. from Other Operating Costs and Other items <sup>(3)</sup>	5.1	2.4
<b>Management Personnel Costs</b>	<b>74.4</b>	<b>89.0</b>

## Other operating costs

In €m	H1 2021	H1 2022
<b>Reported Other Operating Costs</b>	<b>23.5</b>	<b>29.1</b>
Project Core <sup>(1)</sup> - Other Operating Costs	-0.6	-0.5
Other items <sup>(2)</sup>	-0.1	-0.7
Reclass. to Personnel Costs and other items <sup>(3)</sup>	-5.0	-1.9
<b>Management Other Operating Costs</b>	<b>17.8</b>	<b>26.0</b>

Sources: H1 2021 and H1 2022 IFRS accounts, Management Reporting

1. Implementation costs for finance and operations group management systems are considered as Non Recurring Income & Expenses – Non GAAP in the Financial Statements
2. Includes restructuring costs, key management one-time costs, share-based payments and pension schemes ; in H1 2022 also includes social charges related to Capital increase. All these costs are considered as Non Recurring Income & Expenses – Non GAAP in the Financial Statements
3. Relates to independent workers considered as personnel costs in Management Reporting



# Below EBITA Items and Net Income

	Reported		Adjustments		Adjusted	
	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022
€ in millions						
<b>Operating Profit / Adj. EBITA</b>	<b>11.1</b>	<b>31.6</b>	<b>36.7</b> <sup>1</sup>	<b>35.0</b>	<b>47.7</b>	<b>66.5</b>
Net Financial Expenses/Income	(15.1)	(12.8)			(15.1)	(12.8)
<b>Profit (Loss) Before Tax</b>	<b>(4.0)</b>	<b>18.8</b>			<b>32.6</b>	<b>53.7</b>
<i>Growth %</i>						64.5%
Tax	(14.9)	(7.8)	14.1	1.4	(0.8)	(6.4)
Implied adjusted tax rate					2.6%	11.8%
<b>Net Income</b>	<b>(19.0)</b>	<b>11.0</b>			<b>31.8</b>	<b>47.4</b>
<i>Growth %</i>						49.0%

## 1 > EBITA adjustments include:

- > Amortisation of Intangible Assets
- > Non-recurring Operating Income & Expenses under IFRS
- > Others includes the implementation costs for finance and operations group management systems, restructuring costs and key management one-time costs

€ in millions	H1 2021	H1 2022
Amortisation of intangible Assets	28.2	30.0
Non-Recurring Operating Income & Expenses - IFRS	4.7	0.4
Other Non-recurring Operating Inc. & Exp. - Non-GAAP	3.8	4.6
<b>EBITA Adjustments</b>	<b>36.7</b>	<b>35.0</b>

## 2 > Tax adjustments include

- > Deferred taxes
- > Tax impact of EBITA adjustments ex-amortization of intangible assets

€ in millions	H1 2021	H1 2022
Deferred taxes	16	1
Tax impact of Non-Recurring Operating Income & Expenses and Other	-2	0
<b>Tax Adjustments</b>	<b>14</b>	<b>1</b>



# P&L IFRS from Financial Statements

<b>(in € million)</b>	<b>30 June 22</b>	<b>30 June 21</b>
Revenue	1,474	1,106
Costs of purchased goods and services	-1,283	-958
Freight on sales	-3	-3
<b>Net Margin</b>	<b>188</b>	<b>145</b>
Personnel costs	-90	-72
Other operating costs	-29	-23
Depreciation and amortization	-36	-34
<b>Recurring operating profit</b>	<b>32</b>	<b>16</b>
Non-recurring operating income and expenses	0	-5
<b>Operating profit</b>	<b>32</b>	<b>11</b>
Finance debt costs	-7	-16
Interest on lease liabilities	0	0
Other financial income and expenses	-5	1
<b>Net financial income/(expense)</b>	<b>-13</b>	<b>-15</b>
<b>Profit/(loss) before income tax</b>	<b>19</b>	<b>-4</b>
Income tax	-8	-15
<b>Profit/(loss) for the period</b>	<b>11</b>	<b>-19</b>
Profit/(loss) attributable to:		
- Owners of the parent company	10	-19
- Non-controlling interests	1	0
Earnings per share attributable to parent company (in €):		
- Basic earnings per share	0.11	(0.07)
- Diluted earnings per share	0.11	(0.07)



# Balance Sheet from Financial Statements

(in € million)	30 June 22	31 Dec 21	30 June 21
<b>ASSETS</b>			
Goodwill	294	314	289
Other intangible assets	1,159	1,154	1,163
Property, plant and equipment	7	7	8
Right-of-use assets	21	19	20
Non-current other financial assets	38	35	38
Deferred tax assets	10	11	24
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,529</b>	<b>1,54</b>	<b>1,542</b>
Trade receivables and related accounts	895	956	666
Income tax receivables	13	4	6
Inventories	184	150	101
Current other financial assets	17	10	10
Cash and cash equivalents	257	130	133
<b>TOTAL CURRENT ASSETS</b>	<b>1,366</b>	<b>1,249</b>	<b>916</b>
<b>TOTAL ASSETS</b>	<b>2,895</b>	<b>2,789</b>	<b>2,458</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital and share premium	976	976	740
Retained earnings and other reserves	-35	-44	-57
Foreign currency translation reserve	19	0	-9
Equity attributable to the owners of the parent company	960	932	674
Non-controlling interests	3	2	1
<b>TOTAL EQUITY</b>	<b>963</b>	<b>934</b>	<b>675</b>
Non-current other financial liabilities	485	485	705
Non-current lease liabilities	13	12	13
Non-current provisions	3	4	5
Other non-current liabilities	1	4-	
Deferred tax liabilities	295	295	302
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>797</b>	<b>801</b>	<b>1,025</b>
Trade payables and related accounts	1,026	950	681
Current other financial liabilities	92	90	61
Current lease liabilities	8	7	7
Current provisions	2	2	1
Current derivative liabilities	-	--	
Current tax liabilities	6	6	8
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,134</b>	<b>1,054</b>	<b>758</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,895</b>	<b>2,789</b>	<b>2,458</b>



# Consolidated statements of Cash Flows

<i>(in € million)</i>	<b>30 June 22</b>	<b>30 June 21</b>
<b>OPERATING ACTIVITIES</b>		
Profit/(loss) for the period	11	-19
Adjustments for:		
- Depreciation, amortization, impairment and change in provisions	36	34
- Financial debt costs & interests on lease liabilities	8	15
- Share-based expenses	2	2
- Income tax expenses	8	15
- Gains and losses on disposal of fixed assets	0	0
- Other non-cash items	6	0
<b>Income tax paid</b>	<b>-10</b>	<b>-9</b>
<b>Cash flows from op. activities before change in working capital</b>	<b>61</b>	<b>38</b>
<b>Change in net working capital - trade</b>	<b>103</b>	<b>21</b>
Change in net working capital - other	-12	-14
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>152</b>	<b>45</b>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment and intangible assets	-3	-4
Disposals of fixed assets	0	1
Changes in other financial assets	-1	-2
Impact of changes in scope of consolidation	-1	-4
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-4</b>	<b>-9</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	-	-
Disposal (acquisition) of Treasury shares	0	-3
Purchase of non-controlling interests	-4	0
Proceeds from issuance of bank borrowings	-	-
Proceeds from issuance of other financial liabilities	12	16
Factoring liabilities	-3	-35
Short-term financing	-5	-5
Interest Paid	-8	-15
Repayment of bank borrowing	-1	-21
Repayment of other financial liabilities	-13	-9
Repayment of lease liabilities	-5	-4
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-26</b>	<b>-76</b>
Effects of exchange rate fluctuations on cash and cash equivalents	0	1
<b>INCREASE IN NET CASH AND CASH EQUIVALENTS</b>	<b>122</b>	<b>-39</b>
Net cash and cash equivalents at the beginning of the period	125	162
Net cash and cash equivalents at the end of the period	247	123





# Strong cash flow generation and conversion

In €m	H1-20	H1-21 <sup>1</sup>	H1-22
<b>Net Income</b>	<b>(5)</b>	<b>(19)</b>	<b>11</b>
(+) Financial Debt Costs & Interests on Lease Liabilities <sup>2</sup>	18	15	8
(+) Income Tax	(6)	15	8
(+) Depreciation, Amortisation, Impairment and Provisions	32	34	36
(+) Gains/Losses on Disposal of Fixed Assets	(0)	0	0
(+) Share based expenses	-	2	2
(-) Change in NWC	51	21	103
(-) Net operating capex & Repayment of Lease Liabilities <sup>5</sup>	(5)	(8)	(8)
(+) Other non-cash items	0	-	6
<b>Operating Free Cash Flow Before Tax</b>	<b>85</b>	<b>60</b>	<b>166</b>
Adjusted EBITDA <sup>6</sup> Conversion %	203.7%	111.7%	227.7%
(-) Current Tax Paid	(5)	(9)	(10)
<b>Operating Free Cash Flow After Tax</b>	<b>80</b>	<b>51</b>	<b>156</b>
Adjusted EBITDA <sup>6</sup> Conversion %	190.8%	95.4%	214.0%
(-) Impact of Changes in Scope of Consolidation	(0)	(4)	(1)
<b>Free Cash Flow</b>	<b>80</b>	<b>47</b>	<b>156</b>

137% excluding EUR28m of normalisation on items<sup>4</sup>

140% excluding EUR15m of normalisation on items<sup>3</sup>

Source: H1-22 IFRS accounts

- Restated to reflect new reporting methodology
- Extracted from the P&L presented in the Consolidated Financial Statements. Includes non-cash financial items
- €15m normalization items corresponding to reversals of €7m of cash inflow from 2020 UK VAT scheme and €8m exceptional improvement of payment terms with one vendor
- €28m normalization items (€20m one-off delayed VAT payment in the UK and €8m exceptional improvements of payment terms with one vendor)
- Includes Additions to property, plant and equipment and Disposals of Fixed Assets presented in the Cash Flow Statement of the IFRS Accounts under Investing Activities and Repayment of Lease Liabilities presented under Financing Activities
- Adjusted EBITDA defined as Adjusted EBITA + Depreciation and Amortisation excluding Amortisation of intangible assets



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# Thank You

**Investors & Analysts**

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