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Exclusive Networks

Q3 2023 Earnings call



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Unless otherwise indicated, the financial information contained in the attached presentation relating to 2019 and 2020 has been extracted or derived from the Company's consolidated financial statements as of and for the years ended December 31, 2020 (including the year ended December 31, 2019 as a comparative), prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU (the "IFRS accounts"). In addition, financial information contained in the attached presentation relating to 2018 or prior periods has been derived or extracted from the Company's audited consolidated financial statements prepared in accordance with French GAAP. Consequently, the financial information provided herein may not be comparable across all of the periods presented.

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Agenda



9:00 am

Q3-23 Business Review

Jesper Trolle, CEO



9:30 am

Q&A session



9:15 am

Q3-23 Financial Review

Nathalie Bühnemann, CFO



9:45 am

Final remarks

Jesper Trolle, CEO



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Business Review

Jesper Trolle
CEO



Q3 2023 Highlights

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SCALE

Gross sales at €1,228 m

+13% at constant currency¹
+9% reported¹

Market Opportunity

~\$ 7 bn YTD

additional annual SAM² opportunity

Leading to **\$47 bn** annual SAM²

VISIBLE & DIVERSIFIED PORTFOLIO

122%
128% in Q3-22
Q3-23 net vendor retention rate³

121%
129% in Q3-22
Q3-23 net customer retention rate³



- Solid Performance in Q3-23, led by sustained growth realised in largest region: EMEA
- Continued trend towards normalisation in demand



- Pursuit of fast, selective and agile M&A strategy
- Strategic acquisition announced in Q3



- Cybersecurity remains a top spending priority for CIOs
- 2023 Outlook confirmed

1. VS. Q3-22 Gross Sales.
 2. Serviceable Addressable Market.
 3. Defined as reported rolling 12 months Gross sales generated in year N from vendors/customers active in year N-1 divided by reported rolling 12 months Gross Sales from the same vendors/customers in year N-1.



Continuously grow our addressable market opportunity

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Geographic expansion signed with **4 existing vendors**

THALES
Expansion in **APAC**

mimecast
Expansion in **France**

proofpoint.
Expansion in **Africa**

RUCKUS
an ARRIS company
Expansion in **UK**

2 new vendors added to our portfolio

Evolving our vendor Portfolio:

ARQIT
Quantum computing threats
North America

SANDVINE
Application and Network Intelligence
KSA

Vendors coming from acquisition¹

Expansions:

FORCEPOINT **Cymulate** **ForeScout**

VARONIS **RAPID7**

New vendors:

Delinea
Defining the boundaries of access

MEDIGATE

Bitdefender

sealpath™

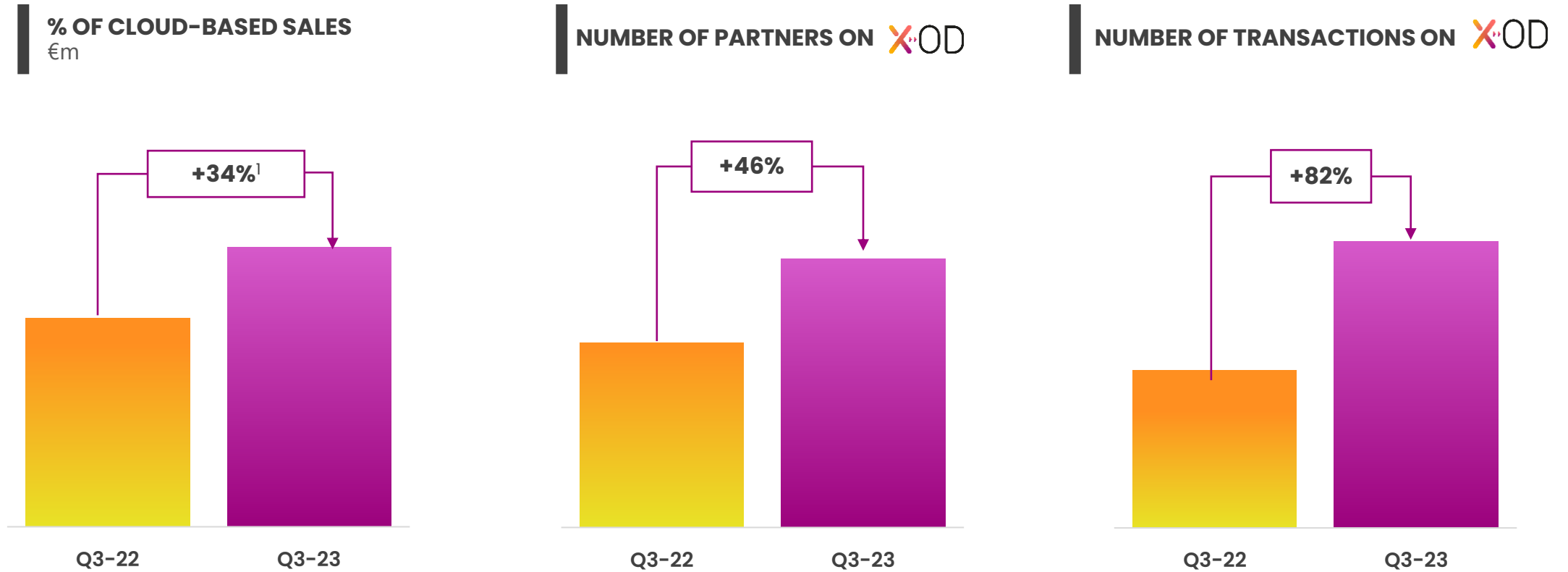
1. Non-exhaustive list



Unique positioning in cloud business

Cloud business activities reaching 1/3 of overall business

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1. Year over year growth of cloud-based business

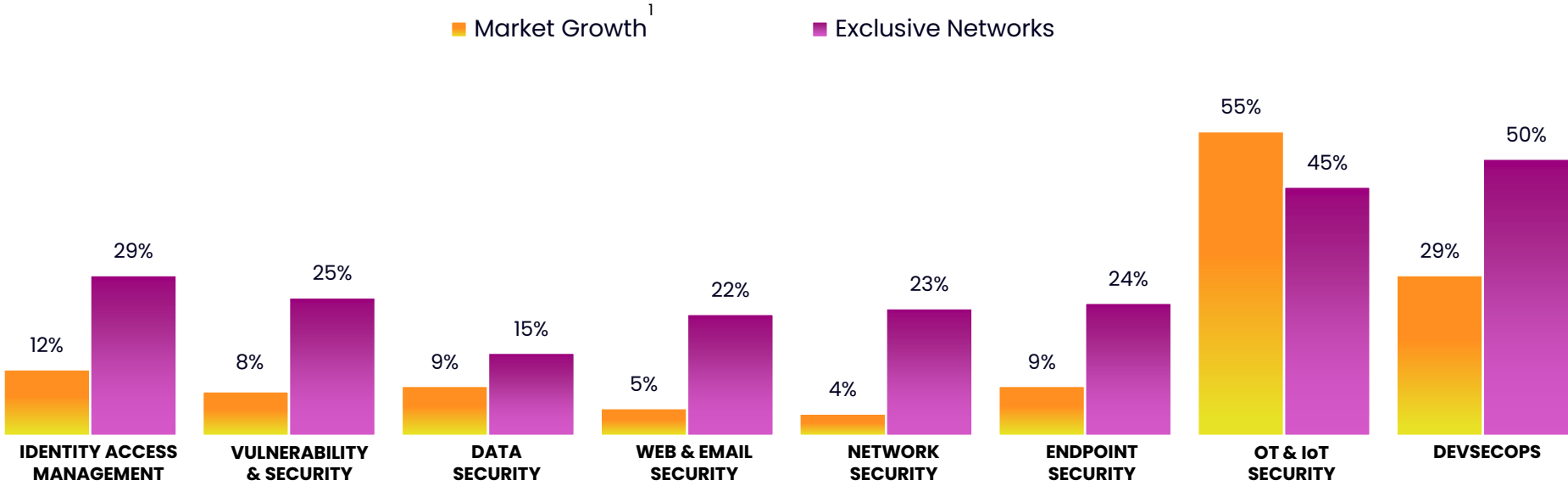


Constantly outpacing market growth in all key segments

Best-in-class vendor portfolio enabling continuous leading positioning

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Top Tier Cybersecurity segments growth (% , 12 months rolling)



Estimated size of the market for 2023¹

\$13.7bn	\$11.4n	\$2.8bn	\$8.5bn	\$19.6bn	\$9.4bn	\$2.9bn	\$10.7bn
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Strong growth across all segments

1. Source: Canalys



Strengthening our profile with a strategic acquisition

M&A underpins and accelerates our growth strategy

Ingecom

- **Rationale:** expand Ignition Technology geographic coverage in Southern Europe
- Acquired in **Q3 2023**
- Location: **Spain, Portugal and Italy**
- FY-22 Gross sales: **€38 million**
- **~50 employees**
- More than **500 partners**
- **very attractive vendor portfolio**, and **shared company culture** will create **strong complementarities** with Ignition.
- **Unique offering for emerging and disruptive vendors**, providing them with the focus of a local specialist and the scale of a global player

Solid ongoing pipeline



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Financial Review

Nathalie Bühnemann
CFO

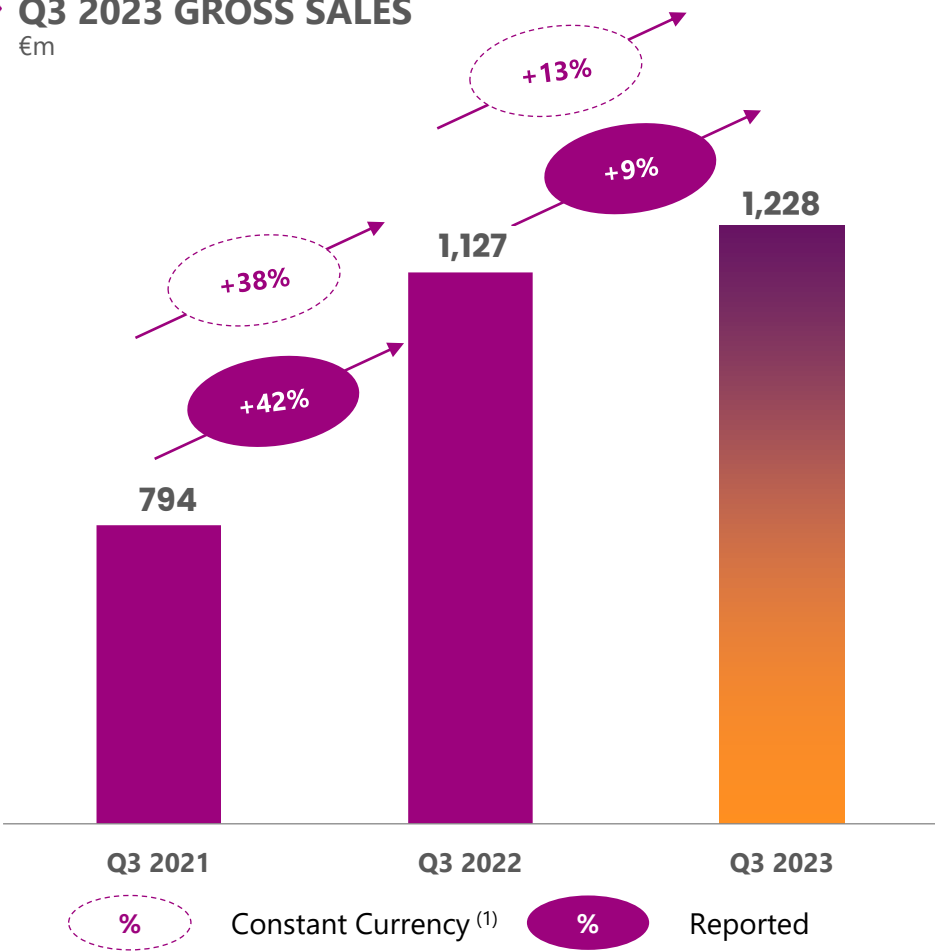


Q3-23 Gross sales drivers

Growth driven by our strong and diversified vendor portfolio

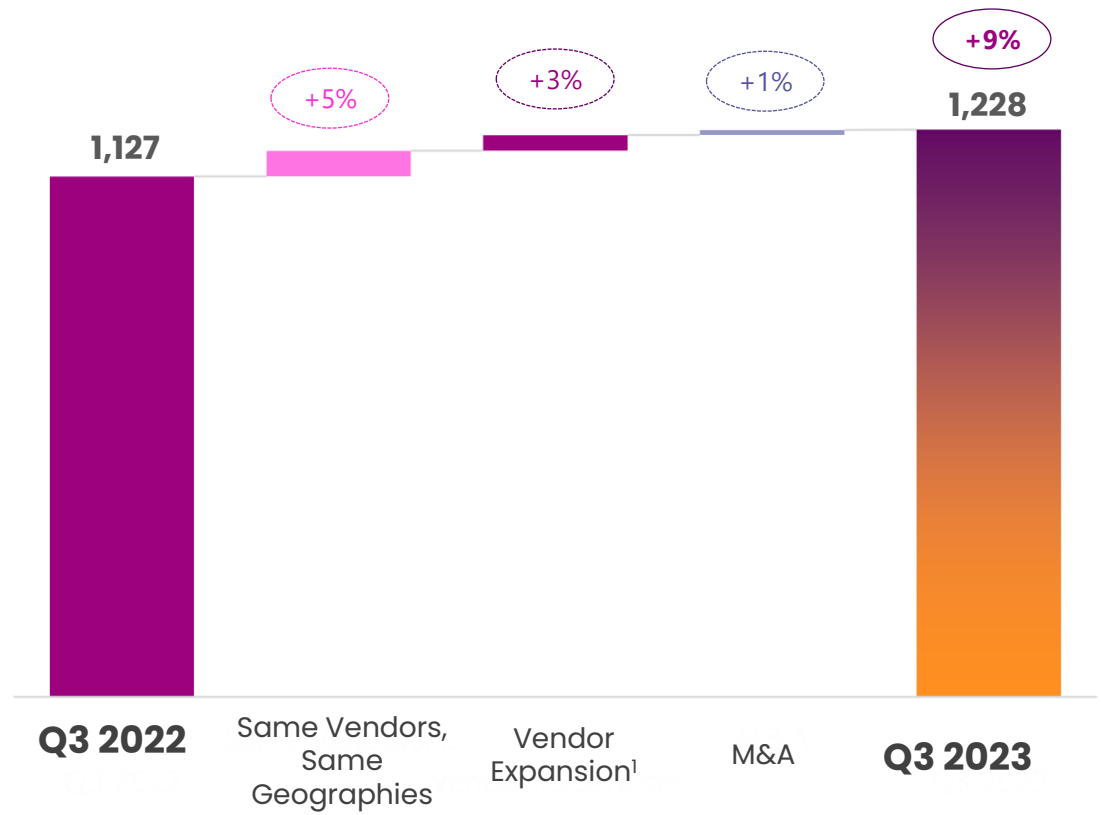
Q3 2023 GROSS SALES

€m



Q3 2023 DRIVERS OF GROWTH

Contribution to Gross Sales growth
€m



1. Vendor Expansion: ~2% from existing vendors in new geographies and ~1% from new vendors.

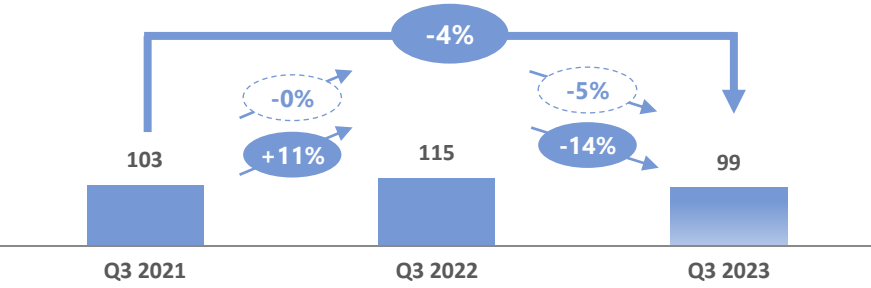
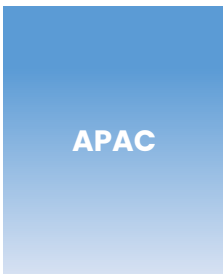
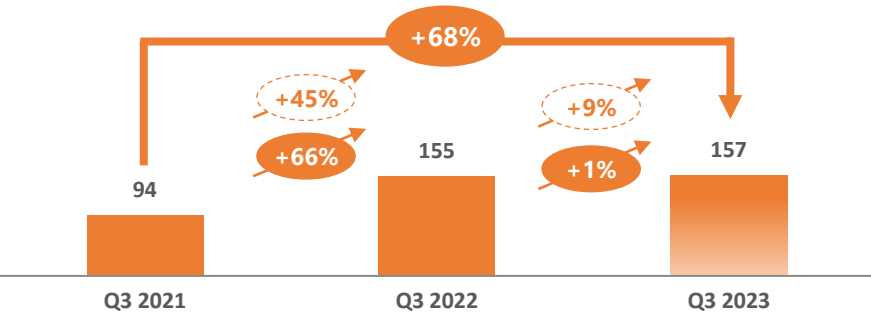
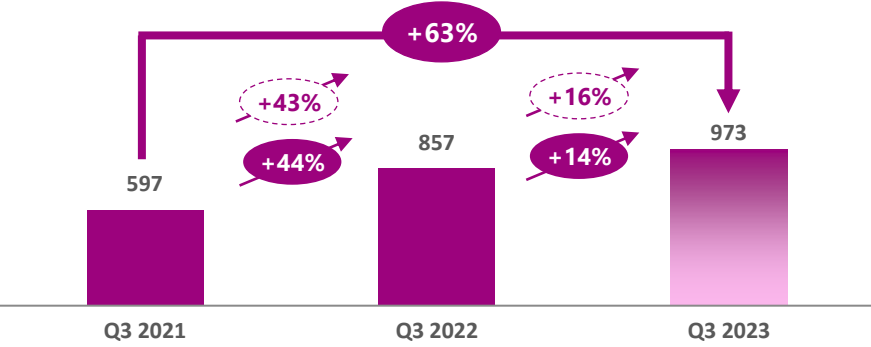


Q3-23: Solid performance despite tough comps

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Q3 2023 GROSS SALES BY REGION

€m



% Constant Currency¹
 % Reported

- Continued robust momentum of double-digit growth in an uncertain market environment
- Outstanding execution leading to market growth outperformance

- High single digit growth at constant currency
- Positive reported growth even with an unfavourable basis of comparison
- Continued solid pipeline in the Region

- Quarter on quarter +700bps sequential improvement
- Acceleration expected thanks to vendor expansion and reinvigorated management

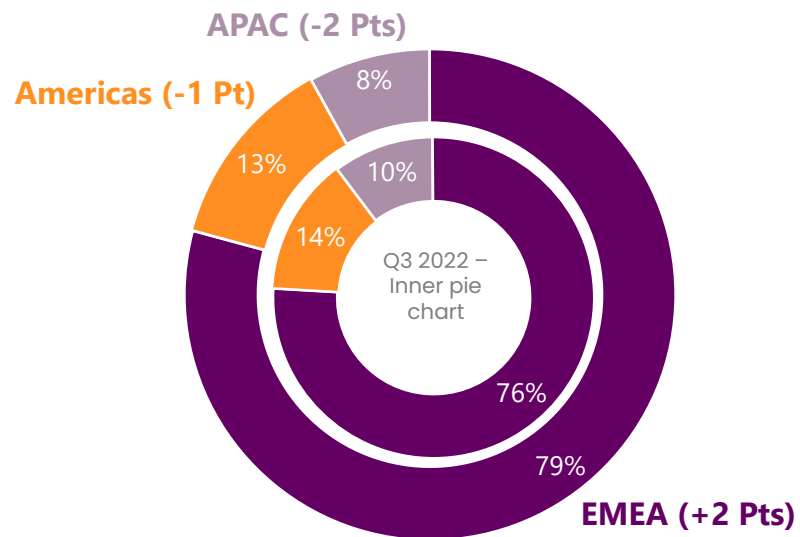
1. Variation at constant currency is computed using the third quarter of year N-1 rates applied to the third quarter of year N.



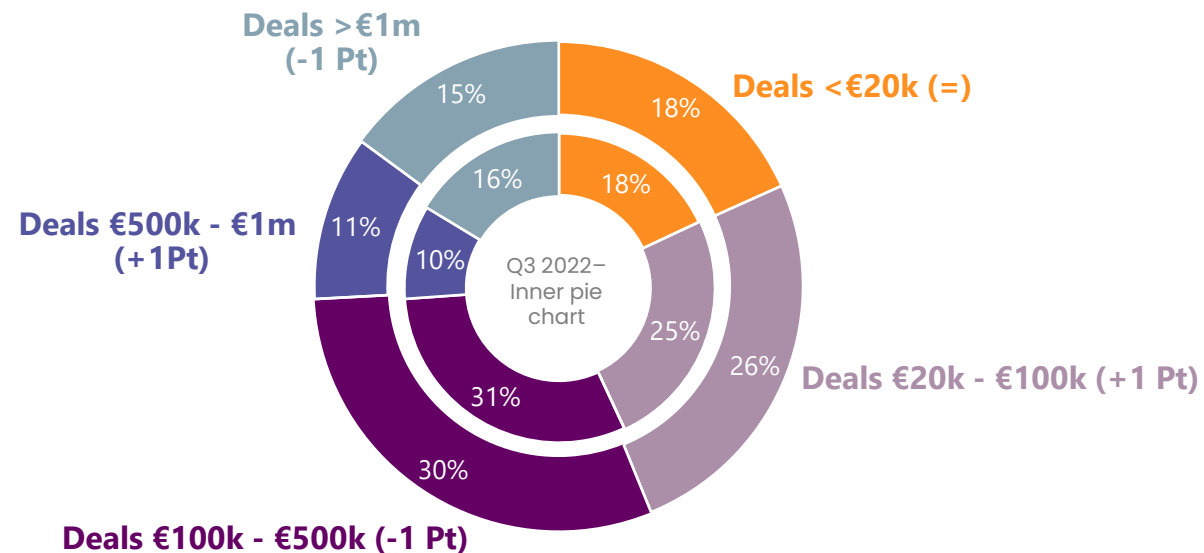
Continued momentum in Q3-23

Stable mix in deal size

Gross Sales breakdown by geography



Gross Sales breakdown by Deal Size¹



1. Breakdown calculated by invoice based on Gross Sales pre-rebates

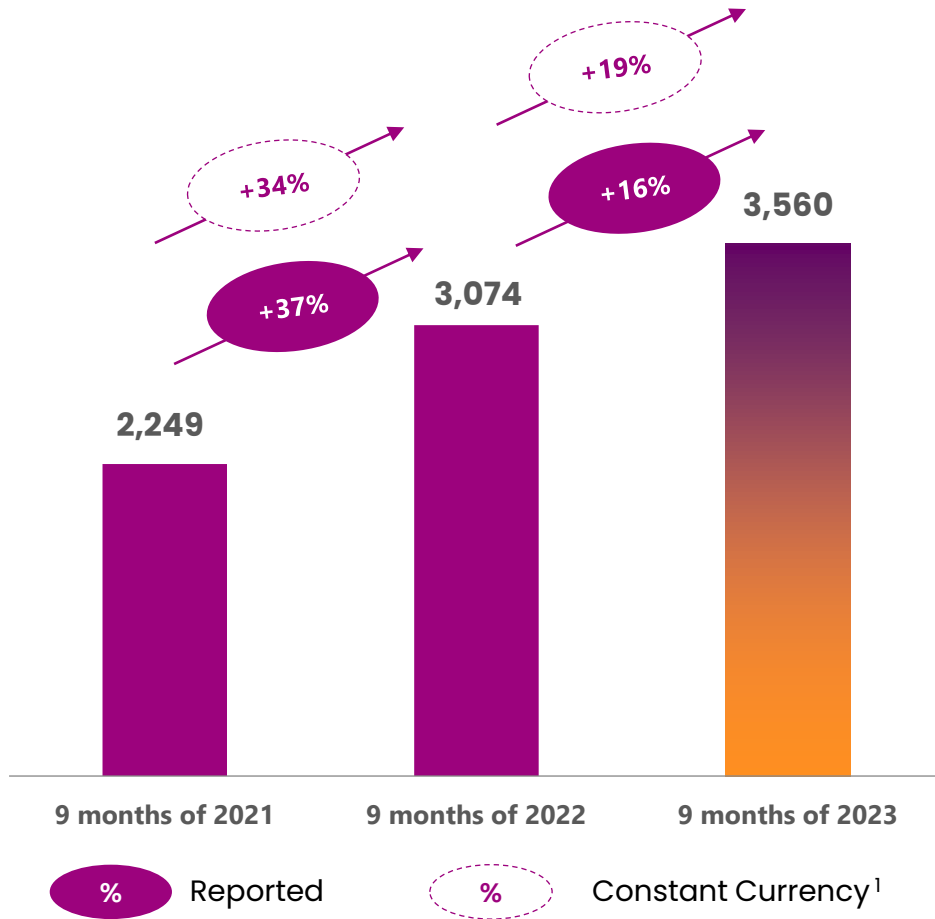


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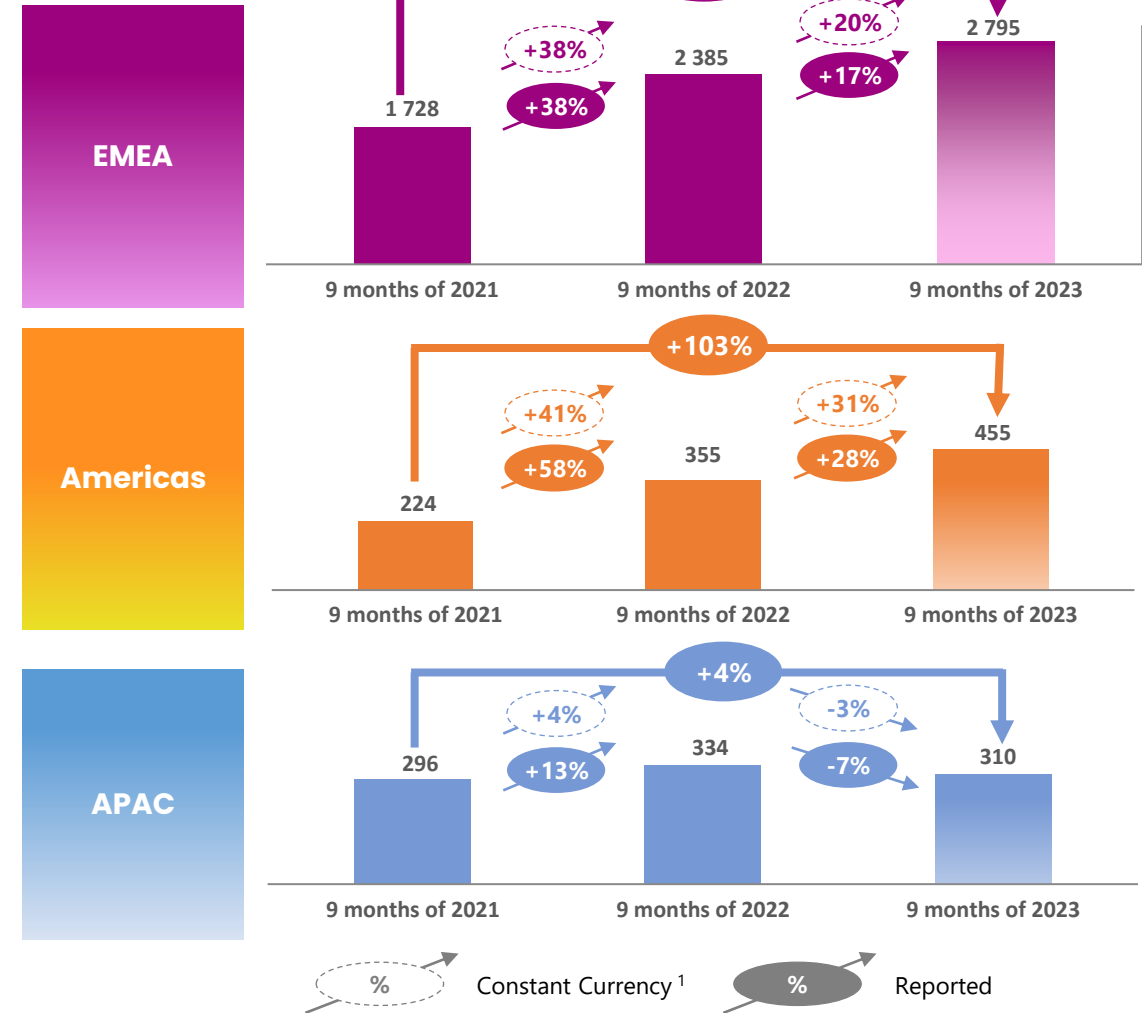
9 months of 2023 Gross sales

Solid growth powered by EMEA and NAM, on track with growth plans

► 9 months of 2023 Gross sales
€m



► 9 months of 2023 Gross sales by region
€m



1. Variation at constant currency is computed using the third quarter of year N-1 rates applied to the third quarter of year N.



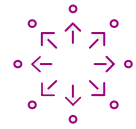
2023 Outlook

FY-23 outlook confirmed, with Adj. EBIT expected in **the upper end of the range**

	2023 Outlook (Feb 28, 2023)
Gross sales	▶ Above €5,150m
Net margin	▶ €450- €465m
Adj. EBIT	▶ €172 – €178m
Adj. operating FCF	▶ 80% of adj. EBITDA



Key Takeaways



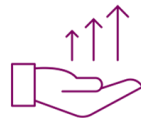
Strong pipeline with no project cancellations, but more deal scrutiny



Pursuit of M&A strategy to reinforce our attractive value proposition



Fundamentals remain solid



Guidance confirmed



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Q&A

**We welcome any
questions you may have**



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Appendices

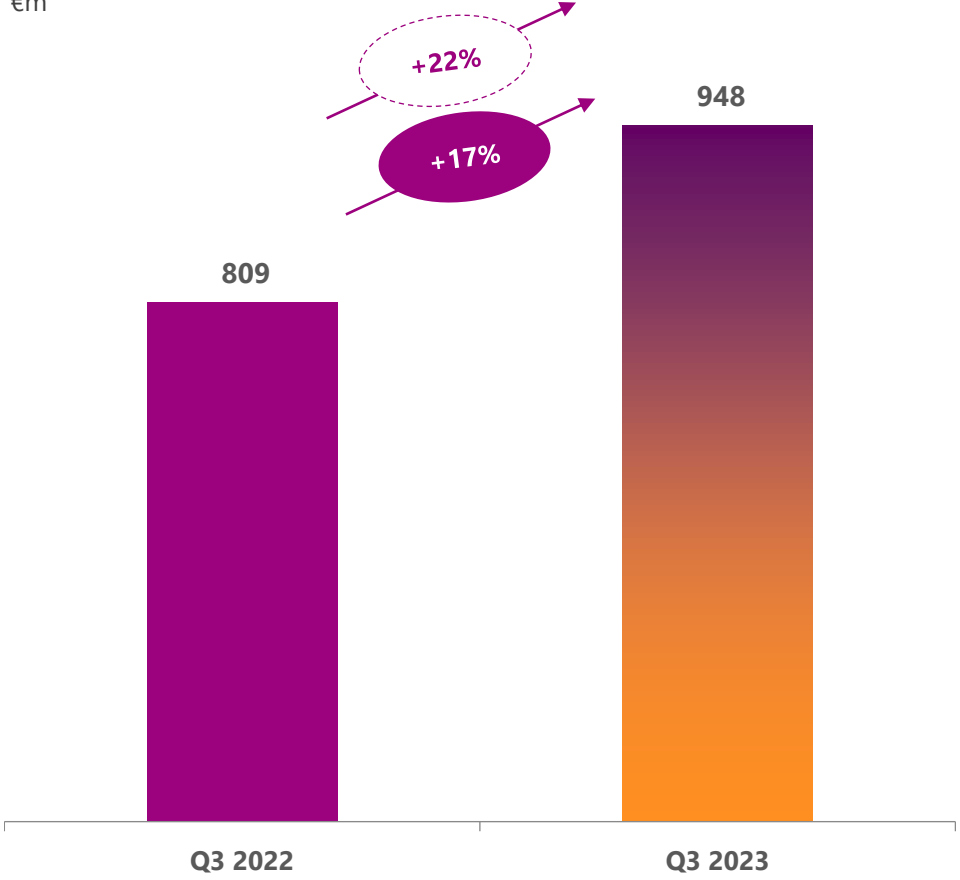




Q3 2023 Revenue by region

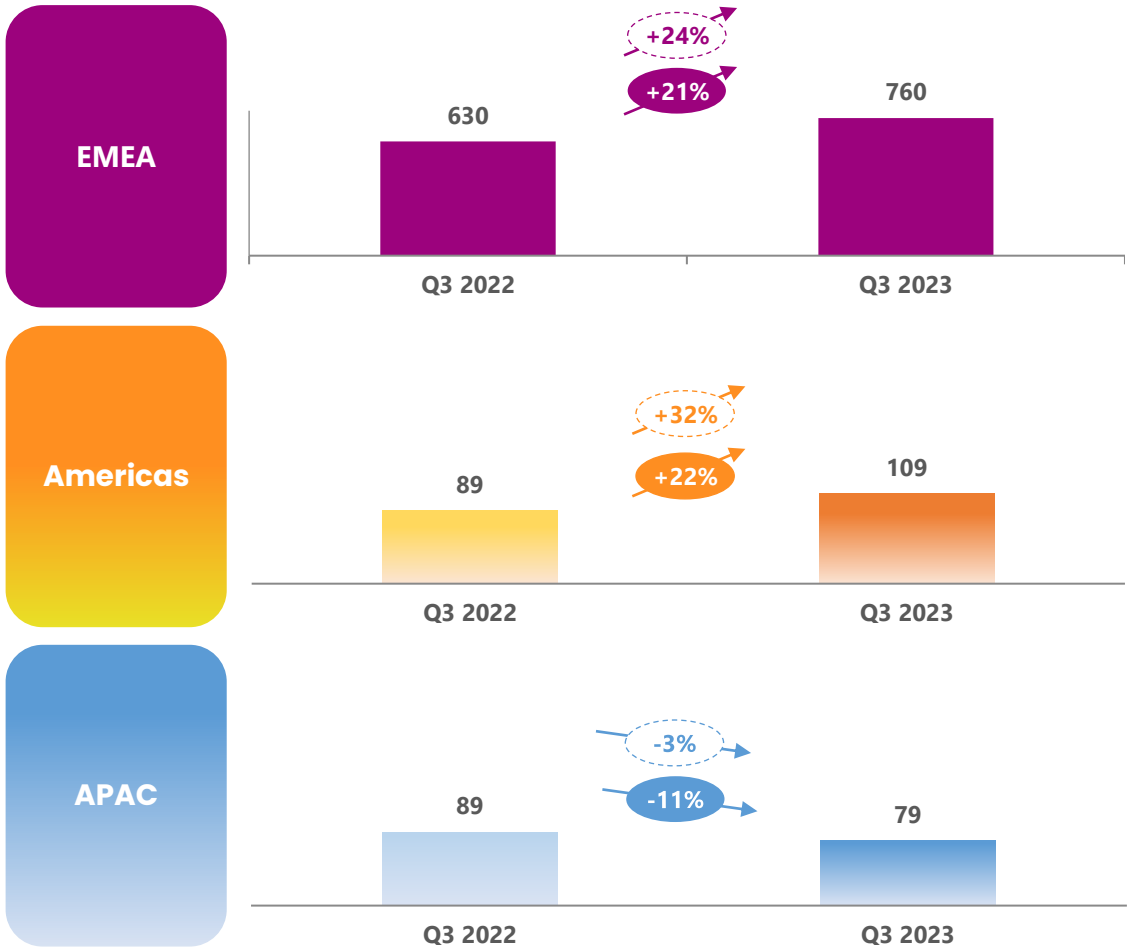
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Q3 2023 REVENUE €m



% Reported
 % Constant Currency ⁽¹⁾

Q3 2023 REVENUE BY REGION €m



% Reported Growth
 % Constant Currency ⁽¹⁾

1. Variation at constant currency is computed using the third quarter of 2022 rates applied to the third quarter of 2023



From Gross sales to Revenue

Gross sales to revenue reconciliation (EURm)	Q3-22	9 months of 2022	Q3-23	9 months of 2023
Gross sales	1,127	3,074	1,228	3,560
Agent vs principal (mainly vendors' support) – IFRS 15	(318)	(792)	(280)	(835)
Revenue	809	2,282	948	2,724



Glossary

K <u>Gross Sales</u>	<ul style="list-style-type: none">• Gross sales represent revenue recognized by the Group on a gross basis for each revenue stream• Net of returns, discount and rebates
I <u>Revenue</u>	<ul style="list-style-type: none">• IFRS revenue• Support & Maintenance margin accounted for revenue• Net of returns, discount and rebates
I <u>Net margin</u>	<ul style="list-style-type: none">• Revenue less costs of purchased goods and services and freight on sales
K <u>Adj. EBIT</u>	<ul style="list-style-type: none">• Formerly identified as Adj. EBITA• Recurring operating profit before amortisation of intangible assets, adjusted for non-GAAP items.
K <u>Adj. EBITDA</u>	<ul style="list-style-type: none">• Adj. EBIT restated from D&A
K <u>Adj. Net income</u>	<ul style="list-style-type: none">• Net income restated for non-recurring IFRS and non-GAAP items, net of taxes
K <u>Adj. Operating FCF</u>	<ul style="list-style-type: none">• Operating free cash flow before tax and adjusted for non-recurring items
K <u>Non-recurring/non-GAAP items</u>	<ul style="list-style-type: none">• Items defined as unusual, abnormal and infrequent, of limited number and presented separately in order not to distort the understanding of the Group's underlying performance



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Thank You

Investors & Analysts

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