



# **EXCLUSIVE NETWORKS**

## **Q3 2021 UPDATE**

**17 November 2021**



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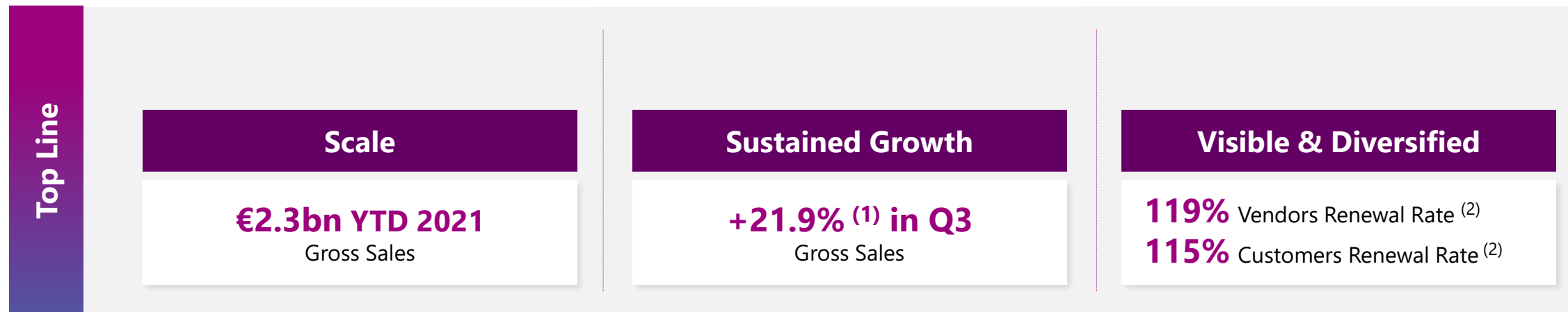
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# Q3 2021 Highlights



 **EXN continues to outperform the strong security market as previously communicated**

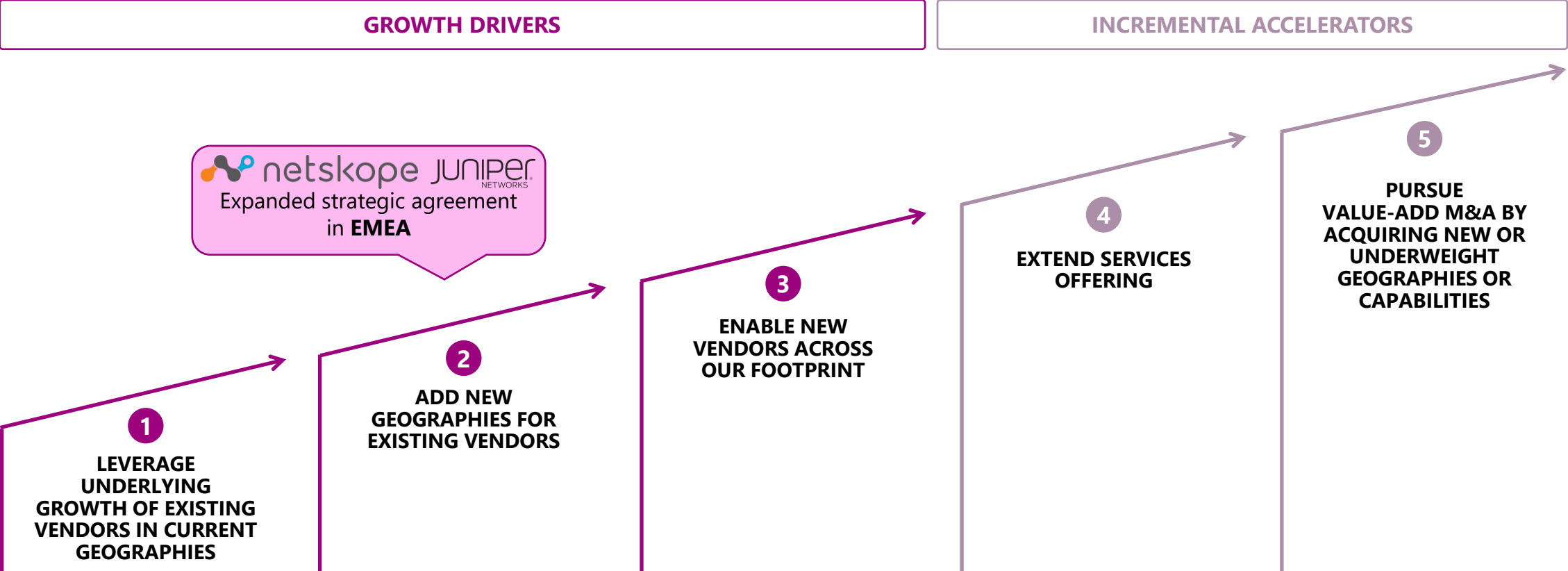
 **Strong underlying growth from existing vendors and vendor geographical expansion**

 **Guidance reconfirmed**

1. Including Veracomp in 2020.  
2. 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



# Q3 2021: Delivering our Strategy



## Q3 2021 Highlights

**279** new resellers <sup>(1)</sup>,  
bringing reseller base <sup>(2)</sup> to  
**c.17k**

**20** new countries signed  
**20** in discussion

**4** new vendors signed  
**13** in the pipeline

**128** X-OD active partners <sup>(2)</sup>  
**4** new vendors out of our  
top 10 added to the platform  
Extension to **North America**

Acquired **IGNITION**  
DRIVING TECHNOLOGY INNOVATION  
In exclusive talks with  
**NETWORKS UNLIMITED**  
Empowering Africa Through Innovative IT Solutions

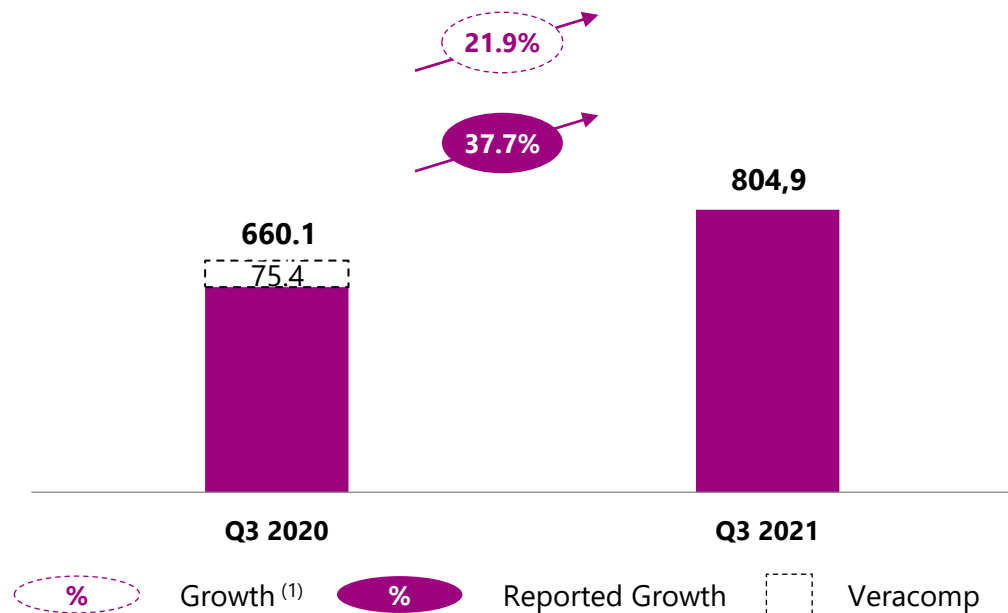
1. In comparison to Q3 2020 includes Veracomp, Nuaware, & Ignition and excludes Capital and ITEC due to missing data  
2. At September-end 2021



# Gross Sales: Double Digit Growth in Line with Guidance

## Q3 2021 GROSS SALES

€m

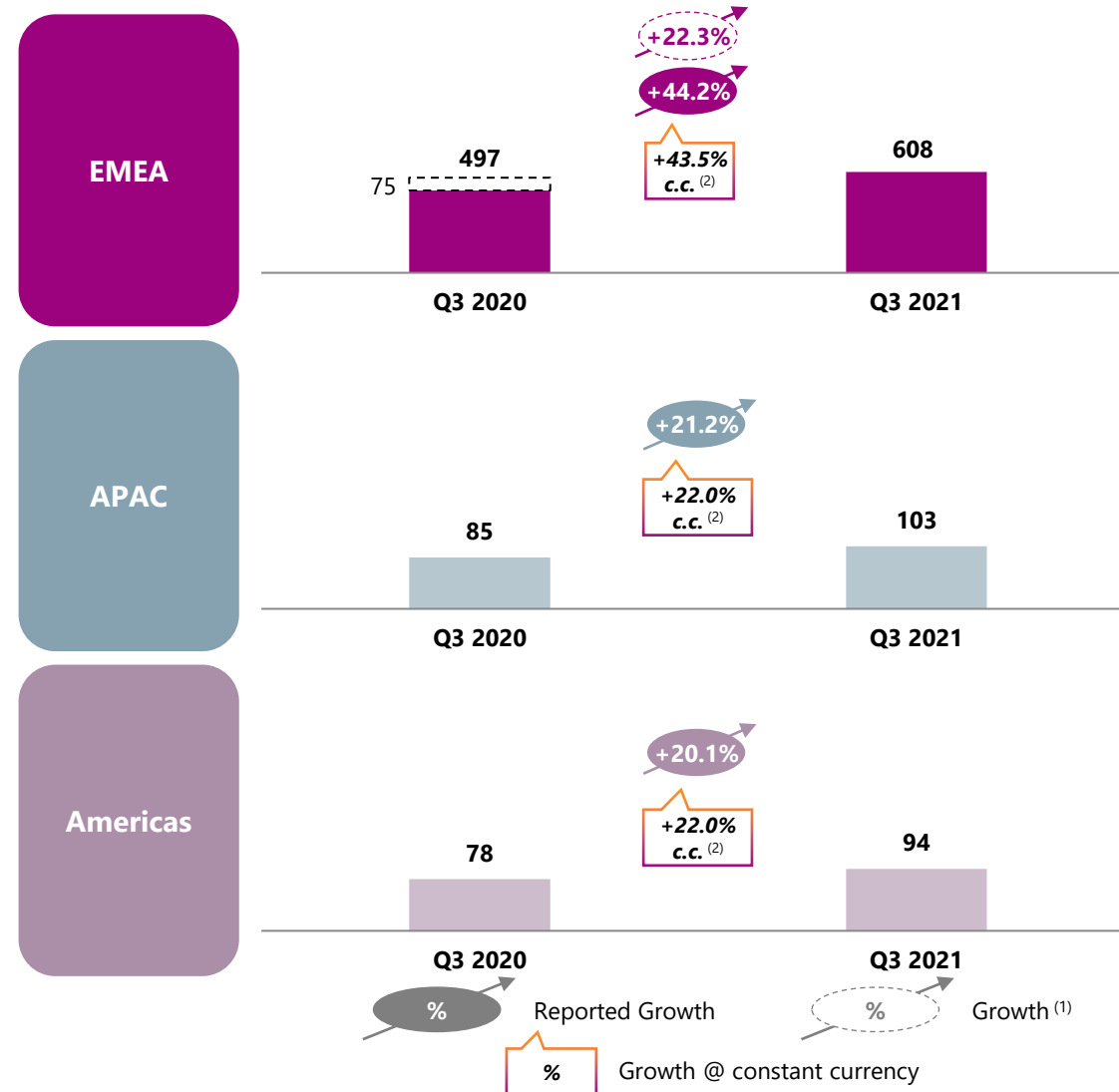


YoY Growth	
Growth <sup>(1)</sup>	+21.9%
Reported	+37.7%
@ Constant Currency <sup>(2)</sup>	+37.5%

1. Including Veracomp in 2020  
 2. Variation at constant currency is computed using the third quarter of 2020 rates applied to the third quarter of 2021 revenue

## Q3 2021 GROSS SALES BY SEGMENT

€m

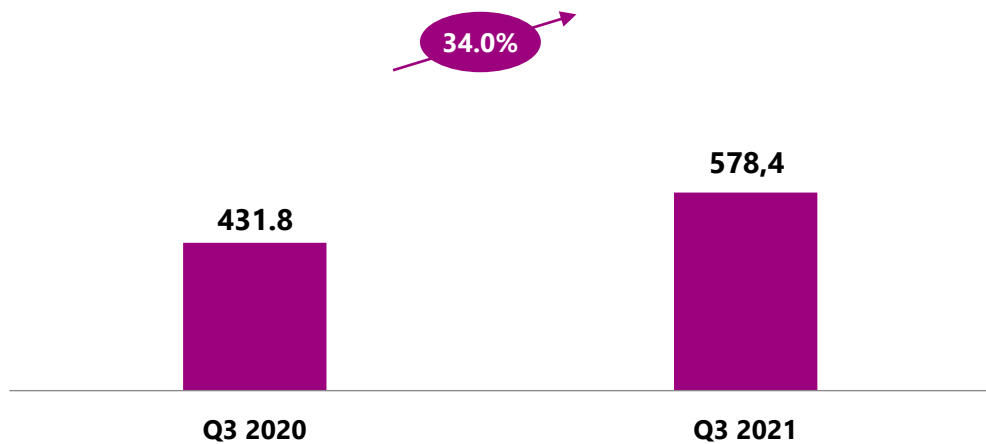




# Revenue: Double Digit Growth Above Cybersecurity Market

## Q3 2021 REVENUE

€m

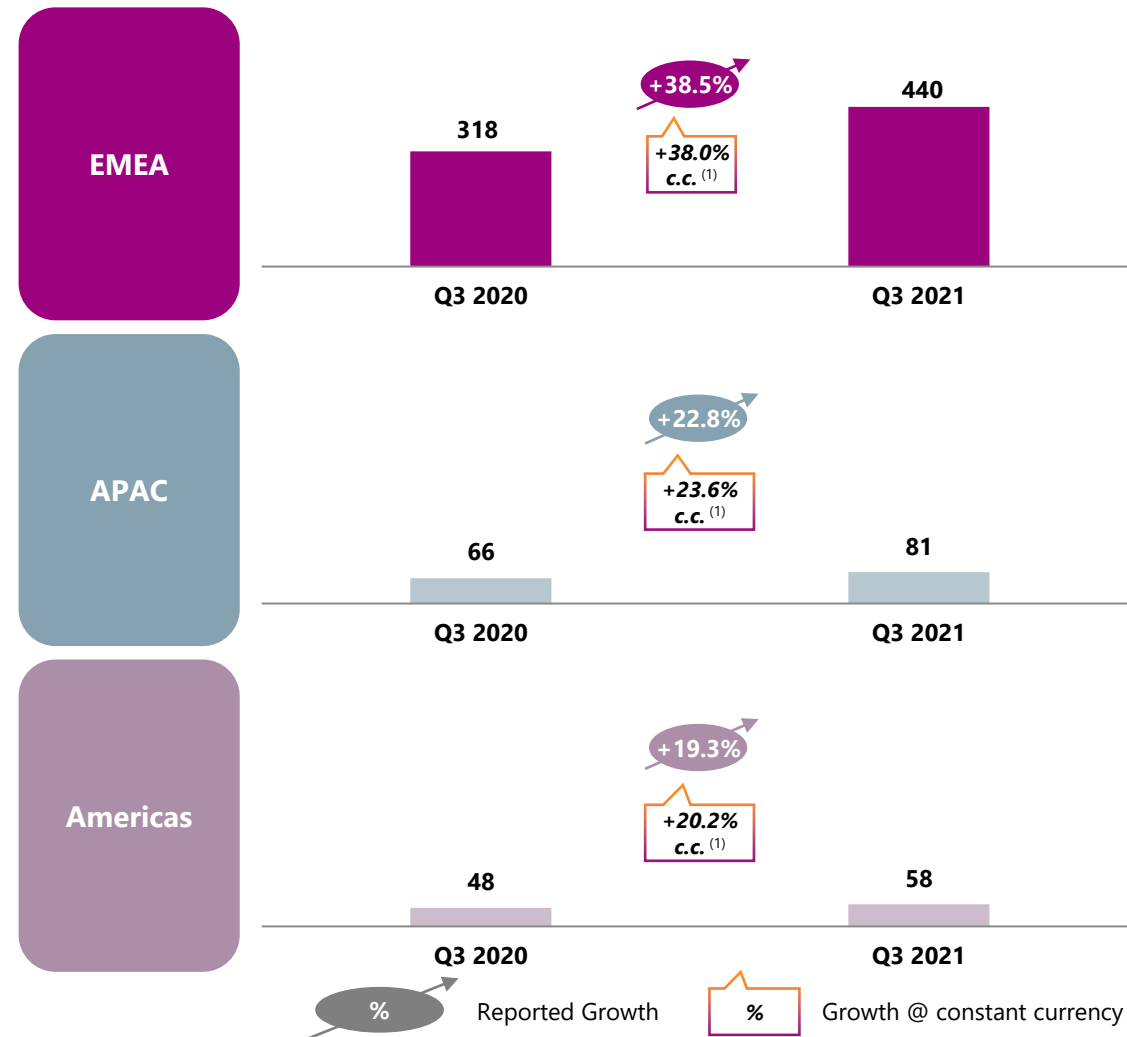


% Reported Growth

YoY Growth	
Reported	+34.0%
@ Constant Currency <sup>(1)</sup>	+33.8%

## Q3 2021 REVENUE BY SEGMENT

€m



% Reported Growth      % Growth @ constant currency

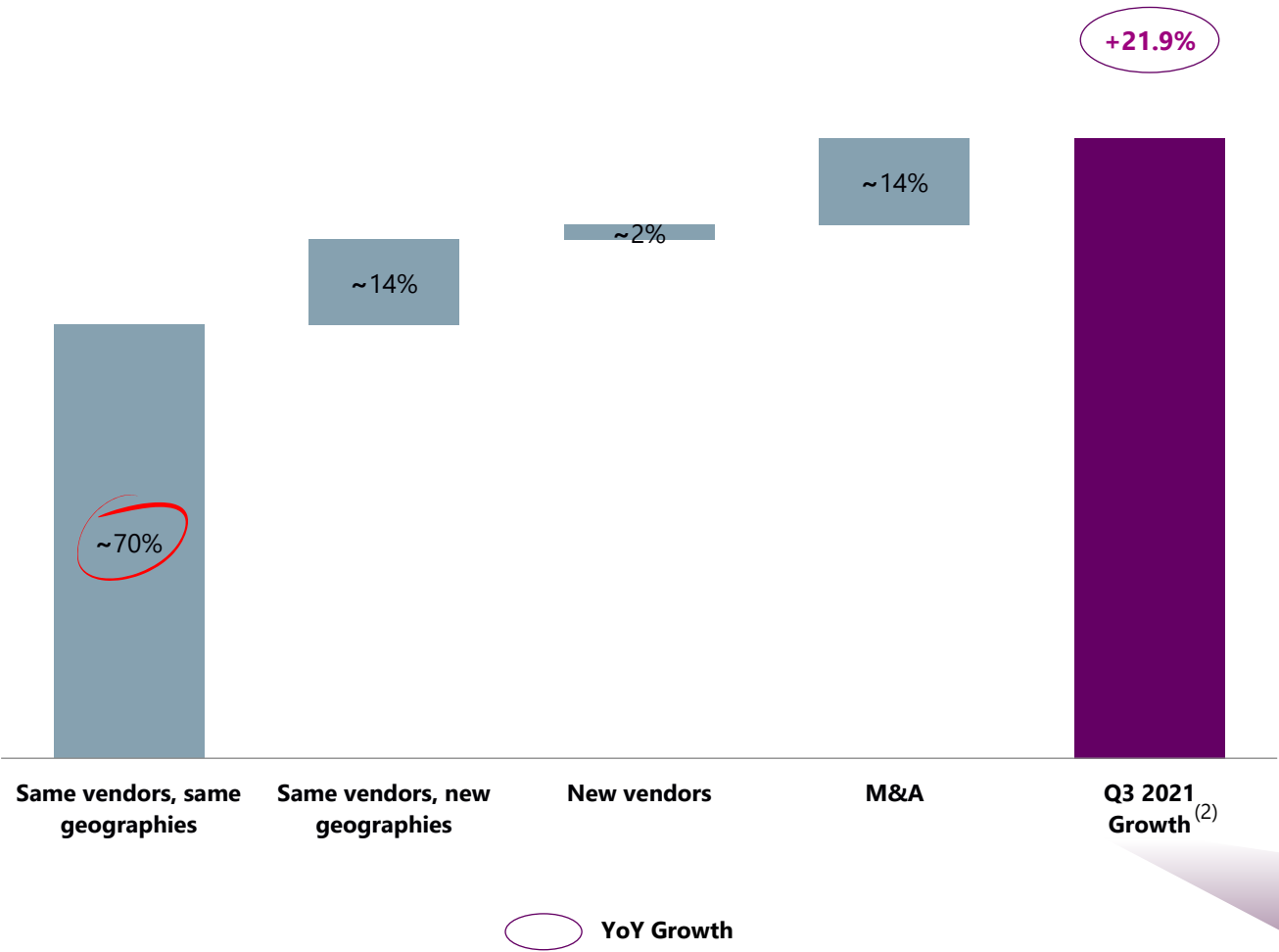
1. Variation at constant currency is computed using the third quarter of 2020 rates applied to the third quarter of 2021 revenue



# Double Digit Growth Driven by Key Strategic Levers

## Q3 2021 DRIVERS OF GROWTH

Contribution to Gross Sales growth <sup>(1)(2)</sup>



## RENEWAL METRICS BACK TO PRE-COVID LEVELS



**Q3 2021 vendors renewal rate <sup>(3)</sup>**



**Q3 2021 customers renewal rate <sup>(3)</sup>**

- ▶ Sustained momentum in **Geographic expansion** contribution, including in the Americas
- ▶ **M&A** contribution, driven mainly by Ignition incremental business and also by JNET (Hong Kong) and Nuaware (DevSecOps)

1. New geographies / new vendors analysis performed on single vendors above €100K annual Gross Sales  
 2. Including Veracomp in 2020  
 3. 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



# Continued Progress with New and Existing Vendors

## › NEW VENDORS CONVERTED FROM PIPELINE SINCE Q2



✓ 13 net new vendors currently in development

## › ONGOING EXPANSION WITH EXISTING VENDORS SELECT EXAMPLES

### Juniper

✓ Expansion in the Belgium, Spain, UK

### Netskope

✓ Expansion to PAN EMEA

### CrowdStrike

✓ Expansion to the Philippines, Indonesia, India, Poland

### SentinelOne

✓ Expansion to Israel

**EXN continuously proves its capacity to identify and partner with industry leaders**





# M&A : 1 Acquisition Closed and 1 Under Exclusivity

## › RECENT ACQUISITION



**Rationale: Establishing a dedicated proposition for emerging vendors**

- Acquired in July-21
- Geography: UK, Benelux & the Nordics
- Unique solution for emerging vendors, providing them with the focus of a local specialist and the scale of a global player
- Introduces additional vendors to the portfolio
- Planned roll-out into additional geographies

## › TARGET UNDER EXCLUSIVITY



**Rationale: Expansion into Sub-Saharan Africa**

- Geography: Sub-Saharan Africa (38 markets including South Africa, Mauritius and Kenya)
- Broadening the global footprint by expanding into new geographies
- Enabling overlapping vendor portfolio to have access to more geographies

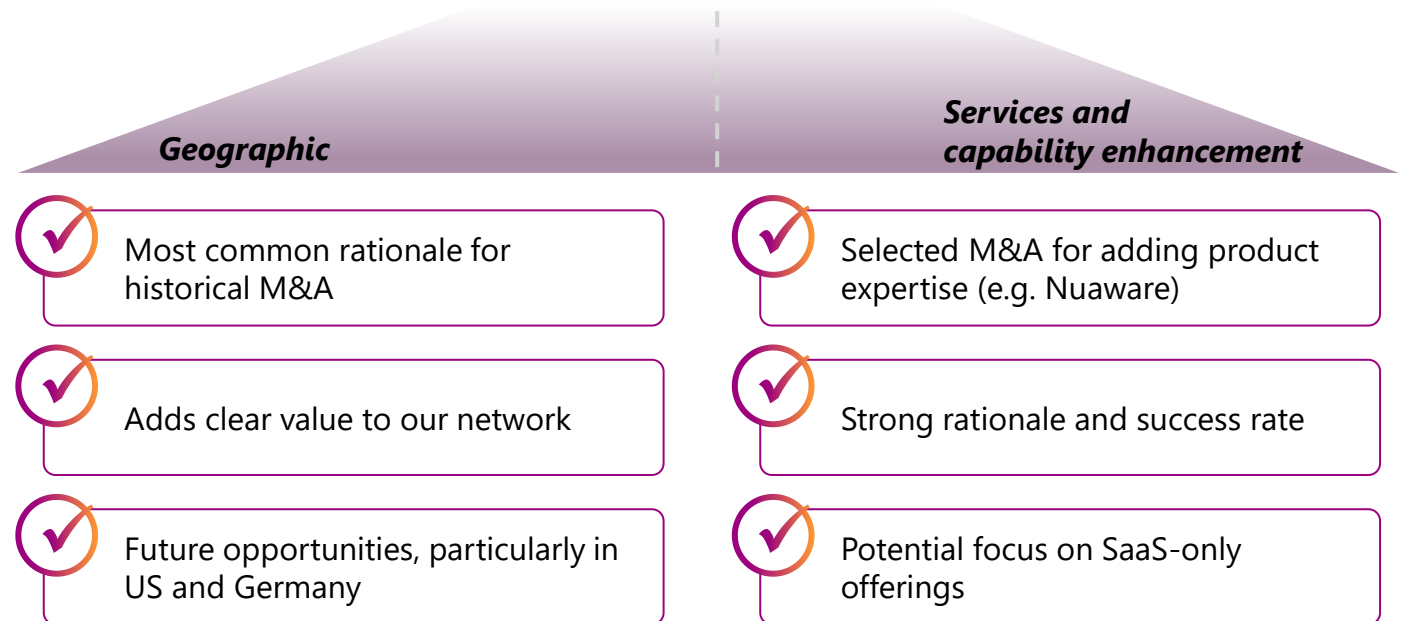
## › ONGOING M&A STRATEGY : PIPELINE REMAINS STRONG

10-15 targets reviewed annually

Almost always bilateral basis (16/17 historically)

1 target currently in exclusivity

Highly fragmented landscape



**Exclusive has a strong reputation and is the 'consolidation platform' in our market**



# 2021 and Medium Term Financial Guidance Reiterated (1/2)

	2020	2020 (incl. Veracomp)	2021	Medium Term
<b>Gross Sales incl. M&amp;A</b>	€2,564m	€2,886m	<ul style="list-style-type: none"> <li>▶ Low teens % growth</li> </ul>	<ul style="list-style-type: none"> <li>▶ Mid-teens % growth in 2022</li> <li>▶ Low double-digit % growth in the mid-term</li> </ul>
EMEA			<ul style="list-style-type: none"> <li>▶ Growth in line with Group</li> </ul>	
APAC			<ul style="list-style-type: none"> <li>▶ Growth slightly below Group level</li> </ul>	
Americas			<ul style="list-style-type: none"> <li>▶ Growth above Group level</li> </ul>	
<b>M&amp;A Contribution</b>			<ul style="list-style-type: none"> <li>▶ Limited additional M&amp;A contribution expected</li> </ul>	<ul style="list-style-type: none"> <li>▶ 1-2pts of growth p.a., in line with historic contribution</li> </ul>
<b>Revenue (Organic)</b>	€1,892m	€2,139m	<ul style="list-style-type: none"> <li>▶ Growth similar to Gross Sales</li> </ul>	<ul style="list-style-type: none"> <li>▶ Growth similar to Gross Sales</li> </ul>
<b>Net Margin</b> <i>% of Gross Sales</i>	€257m 10.0%	€293m 10.2%	<ul style="list-style-type: none"> <li>▶ High single digit % growth</li> </ul>	<ul style="list-style-type: none"> <li>▶ Small margin compression, limited to ~1pt decline overall during the period</li> </ul>
<b>Adj. EBITA</b> <i>% of Net Margin</i>	€95m 37.0%	€108m 37.0%	<ul style="list-style-type: none"> <li>▶ Stable as % of Net Margin</li> </ul>	<ul style="list-style-type: none"> <li>▶ Stable as % of Net Margin in 2022</li> <li>▶ Margin expanding to slightly above 40% thereafter</li> </ul>



# 2021 and Medium Term Financial Guidance Reiterated (2/2)

	2020	2021	Medium Term
<b>Depreciation and Amortisation <sup>(1)</sup> (incl. Leases)</b>	€9m	▶ Low double digit in €m	▶ Low to mid double digit in €m
<b>Effective Tax Rate (% Adj. PBT) <sup>(2)</sup></b>	31%	▶ Low 20s %	▶ Increasing to mid 20s %
<b>NWC <sup>(3)</sup> as % of Gross Sales</b>	3.7% 4.7% normalized <sup>(4)</sup>	▶ ~4.5% (after reversal of 2020 exceptional effects)	▶ ~4.5%
<b>Capex <sup>(5)</sup> (€)</b>	€9m	▶ Low double digit in €m	▶ Low to mid double digit in €m

1. Excluding amortisation of intangible assets

2. Adj. PBT defined as Profit Before Tax + Amortisation of intangible assets

3. Net working capital excluding EXN Capital Finance Asset

4. Normalized for €28m exceptional decrease in NWC due to one-off delayed VAT payment in the UK and exceptional improvement of payment terms with one vendor

5. Net Operating Capex + Repayment of Lease Liabilities



# Q&A



# APPENDIX



# Appendix

## › GROSS SALES TO REVENUE RECONCILIATION TABLE

€m	9 months 2020	9 months 2021
<b>Gross Sales</b>	<b>1,774.1</b>	<b>2,282.3</b>
Agent vs Principal (Mainly Vendors' Support) – IFRS 15	(449.3)	(567.9)
Timing of Revenue Recognition – IFRS 15	4.3	3.5
Intercompany Eliminations	(18.4)	(33.6)
<b>Revenue</b>	<b>1,310.7</b>	<b>1,684.3</b>



# Our Financial KPIs: Definitions and Contemplated Reporting

	Definition	Years	Segments	Reporting
Topline	<b>K</b> <b>Gross Sales</b> <ul style="list-style-type: none"> <li>Gross Sales represent revenue recognized by the Group on a gross basis for each revenue stream and before intra and inter segment intercompany eliminations</li> <li>Net of returns, discount and rebates</li> </ul>	2018, 2019, 2020	<b>EMEA, APAC, Americas</b>	<i>Quarterly</i>
	<b>I</b> <b>Revenue</b> <ul style="list-style-type: none"> <li>IFRS revenue</li> <li>Support &amp; Maintenance margin accounted for revenue</li> <li>Net of returns, discount and rebates</li> </ul>	2019, 2020	<b>EMEA, APAC, Americas</b>	<i>Quarterly</i>
	<b>I</b> <b>Net margin</b> <ul style="list-style-type: none"> <li>Revenue less costs of purchased goods and services and freight on sales</li> </ul>	2018, 2019, 2020	<b>Group</b>	<i>Half-Yearly</i>
Profitability	<b>K</b> <b>Adj. EBITA</b> <ul style="list-style-type: none"> <li>Recurring operating profit before amortisation of intangible assets, adjusted for certain costs that do not impact the day to day operations (these include implementation costs for finance and operations group management systems, restructuring costs and one-time costs)</li> </ul>	2019, 2020	<b>EMEA, APAC, Americas, Corporate</b>	<i>Half-Yearly</i>
	<b>K</b> <b>Adj. Net Income</b> <ul style="list-style-type: none"> <li>Net income adjusted for amortisation of intangible assets, costs that do not impact the day to day operations, other operating expenses / income (post tax at effective tax rate) and deferred taxes</li> </ul>	2019, 2020	<b>Group</b>	<i>Half-Yearly</i>
	<b>Free Cash Flow metrics</b> <ul style="list-style-type: none"> <li>Operating free cash flow before tax: for cash conversion</li> <li>Operating free cash flow (after tax, excl. M&amp;A)</li> <li>Free cash flow (incl. M&amp;A)</li> </ul>	2018, 2019, 2020	<b>Group</b>	<i>Half-Yearly</i>

**I** IFRS Metrics

**K** Non-GAAP KPIs



# The Global Cybersecurity Specialist