



## EXCLUSIVE NETWORKS - Q3 2021 FINANCIAL UPDATE

**Gross Sales up 21.9%<sup>1</sup> in the third-quarter 2021, to €804.9 million.**

**In the first nine months, Gross Sales rose €2,282 million up 15.5%<sup>1</sup>.**

**Good momentum over the quarter, fueled by all Regions.**

**Full-Year 2021 and medium-term targets reconfirmed.**

Boulogne-Billancourt, 10th November 2021, 07:00 A.M.

In the third quarter, the Group recorded Gross Sales of €804.9 million, up 21.9%<sup>1</sup> (+37.7% on a reported basis) and revenue of €578.4 million compared to the same period in 2020, accelerating the trend recorded in the first half of the year.

In the first nine months of 2021, the Group recorded Gross Sales of €2,282.3 million, up 15.5%<sup>1</sup> (+28.6% on a reported basis) and revenue of €1,684.3 million, compared to the same period in 2020.

**Jesper Trolle, Chief Executive Officer, declared:** *“This third quarter performance is the testimony to the relevance of the strategy in place. Our competitive positioning through our highly curated portfolio of leading cybersecurity vendors proves our capacity to address the growing demand.*

*During the quarter, we have continued to increase our partner base, expanded into new countries with our existing vendors and onboarded new promising vendors to our platform, while maintaining a healthy pipeline for the upcoming quarters.*

*On the M&A front, we acquired Ignition in July, which will help us establish a dedicated proposition for emerging vendors and we are currently in exclusive discussions with Networks Unlimited, which would expand our footprint into Sub-Saharan Africa.*

*I would like to take this opportunity to thank our teams across the world for their strong commitment and our vendors and partners for their ongoing trust, which once again made the difference this quarter. We now focus our efforts on the last quarter of the year, for which we remain confident to achieve the targets announced.”*

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<sup>1</sup> Including Veracomp in 2020

**GROSS SALES BY GEOGRAPHY**

in € million	Q3 2020	Q3 2021	Change		
			Reported	Reported at constant currency*	Proforma Growth**
EMEA	421.9	608.3	+44.2%	+43.5%	+22.3%
APAC	84.9	103.0	+21.2%	+22.0%	+21.2%
AMERICAS	77.9	93.6	+20.1%	+22.0%	+20.1%
<b>GROUP</b>	<b>584.7</b>	<b>804.9</b>	<b>+37.7%</b>	<b>+37.5%</b>	<b>+21.9%</b>

\* Variation at constant currency is computed using the third quarter of 2020 rates applied to the third quarter of 2021 Gross Sales. The USD, GBP and PLN evolved as follows; 1EUR: 1.1788 USD; 1EUR: 0.8553 GBP, 1EUR:4.5661 PLN respectively for 2021 and 1EUR: 1.1695 USD, 1EUR: 0.9050GBP, 1EUR: 4.4405 PLN respectively for 2020.

\*\* including Veracomp in 2020.

**REVENUE<sup>1</sup> BY GEOGRAPHY**

in € million	Q3 2020	Q3 2021	Change	
			Reported	Reported at constant currency*
EMEA	317.9	440.2	+38.5%	+38.0%
APAC	65.7	80.7	+22.8%	+23.6%
AMERICAS	48.2	57.5	+19.3%	+20.2%
<b>GROUP</b>	<b>431.8</b>	<b>578.4</b>	<b>+34.0%</b>	<b>+33.8%</b>

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

**BUSINESS REVIEW**

During the third quarter of 2021, the Group generated significant Gross Sales growth, reaching €804.9 million, up 21.9% compared to the same period last year and including Veracomp in 2020, thanks to the strong contribution of all Regions, which demonstrates the remarkable underlying growth of our vendor portfolio. The Group was able to benefit from a brisk growth momentum in the quarter, notably thanks to the Enterprise market and closing large deals. Since the lockdowns have lifted, demand has accelerated around the world.

The metrics improved and went back to pre-covid levels in the Third quarter 2021, with Vendors renewal rates<sup>2</sup> reaching 119% (113% in Q3 2020) and Customers renewal rates<sup>2</sup> rose 115% (110% in Q3 2020). During the quarter, 70% of the growth came from existing vendors, 14% of growth came from the vendor expansion to new geographies, 2% of the growth came from new vendors, and 14% came from the contribution from acquisitions.

<sup>1</sup> As per IFRS

<sup>2</sup> 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



In the **EMEA Region**, Gross Sales reached €608.3 million, up 22.3%<sup>1</sup> compared to the third quarter 2020, enjoying robust Gross Sales growth over the quarter, on the back of a strong Enterprise momentum.

In the **APAC Region**, Gross Sales reached €103.0 million, up 21.2% compared to the third quarter 2020. The market dynamism was supported by the signature of large contracts and the expansion of service offering.

In the **AMERICAS Region**, Gross Sales were up 20.1% compared to the third quarter 2020, at €93.6 million, in line with our strategy and growth plans.

During the quarter, additional investments were made to ensure we deliver on the growth strategy, driven by new vendors and the rollout of service offerings within the Region.

The Region enjoyed a strong order momentum from existing and new vendors and launched X-OD (Exclusive-On-Demand) in August to give customers more options to consume technology.

On the operational side, the worldwide semiconductor shortage impacted only the availability of few products in few regions.

#### **SIGNIFICANT EVENTS SINCE 30 JUNE 2021**

On **23 September 2021**, Exclusive Networks announced the success of its Initial Public Offering (IPO) on Euronext Paris (Compartment A, ISIN code FR0014005DA7, ticker symbol EXN). The success of the Offering reflects the strong demand from leading French and international institutional investors. Based on the offering price of 20 euros per share, the market capitalisation of Exclusive Networks amounted to approximately 1.8 billion euros as of the date of listing. J.P. Morgan and Morgan Stanley acted as Joint Global Coordinators and Joint Bookrunners. BNP PARIBAS, Citigroup and Société Générale acted as Joint Bookrunners. Lazard acted as independent financial advisor.

On **4 August 2021**, Exclusive Networks announced its expansion of X-OD (Exclusive-On-Demand) into the U.S. X-OD is the company's online digital platform and delivery service used for select cybersecurity and infrastructure products and services.

On **4 August 2021** Exclusive Networks announced signing an exclusivity agreement with Networks Unlimited with the intention to pursue discussions around a potential acquisition: Networks Unlimited is a major regional value-added distributor focused predominantly on cybersecurity and infrastructure markets, with numerous key vendor relationships in common with Exclusive. Headquartered in South Africa with further operations in Kenya and Mauritius, its partner ecosystem gives it access to 38 national markets across the continent. The agreement would bolster Exclusive Networks' presence in the region, expanding its global footprint and creating additional opportunities for vendors and customers of both organisations.

On **6 July 2021**, Exclusive Networks announced it had acquired Ignition Technology, the UK and Northern Europe specialist security VAD concentrated on early-stage disruptive security-as-a-service (SaaS) vendors. The acquisition further reinforces Exclusive's heritage and reputation as the go-to specialist distribution partner for emerging cybersecurity innovators, creating a dedicated operation focused on younger technology companies looking to break out into the global market.

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<sup>1</sup> Including Veracomp in 2020.



## OUTLOOK

In light of the Group performance delivered in the first nine months of the year, the Group reconfirms its targets for Full-Year 2021 and medium term:

	2021	Medium Term
<b>Gross Sales</b>		
Group	Low teens (incl. M&A)	Mid-teens % growth in 2022 Low double-digit % growth thereafter
M&A contribution	limited contribution to the targeted growth for 2021	1-2pts of growth p.a., in line with historic contribution
EMEA	In line with the Group	
APAC	Slightly below the Group	
AMERICAS	Above the Group	
<b>Revenue Growth</b>	Similar to that targeted for Gross Sales	
<b>Net margin growth</b>	High single-digit percentage growth	Small margin compression, limited to ~1pt decline overall during the period
<b>Adj. EBITA margin</b>	Stable as a percentage of Net Margin	Stable as % of Net Margin in 2022 Margin expanding to slightly above 40% thereafter
<b>D&amp;A in value<sup>1</sup></b>	Low double-digit million	Low to mid double digit in €m
<b>Effective tax rate (as % of Adjusted PBT<sup>2</sup>)</b>	In the low twenties	Increasing to mid-twenties
<b>Net Working Capital<sup>3</sup> (as % of Gross Sales)</b>	Approximately 4.5% (after the reversal of 2020 exceptional effects)	Approximately 4.5%
<b>Capex<sup>4</sup> in value</b>	Low double-digit million	Low to mid double digit in €m
<b>Leverage</b>	leverage ratio of Net Debt to EBITDA of approximately 2.5x as of 31 December 2021	
<b>Dividend</b>	Objective to distribute dividends of approximately 25% of its annual Adjusted Net Income, starting from and subject to shareholder approval at the annual shareholders' meeting to convene in 2022	

<sup>1</sup> Excluding Amortization of Intangible Assets but including Leases

<sup>2</sup> Effective tax rate as a percentage of Adjusted PBT of 30.5% for 2020

<sup>3</sup> Net Working Capital excludes EXN Capital Finance Asset, which relates to IT solution systems sold through Exclusive Capital financing arrangements.

<sup>4</sup> Net Operating Capex plus Repayment of Lease Liabilities

**APPENDIX****GROSS SALES BY GEOGRAPHY**

in €million	9 months 2020	9 months 2021	Change		
			Reported	Reported at constant currency*	Proforma growth**
EMEA	1,305.2	1,761.6	+35.0%	+36.0%	+16.9%
APAC	268.3	296.3	+10.4%	+13.1%	+10.4%
AMERICAS	200.6	224.4	+11.9%	+17.7%	+11.9%
<b>GROUP</b>	<b>1,774.1</b>	<b>2,282.3</b>	<b>+28.6%</b>	<b>+30.5%</b>	<b>+15.5%</b>

\* Variation at constant currency is computed using the first nine months of 2020 rates applied to the first nine months of 2021 revenue.

\*\* including Veracomp in 2020.

**REVENUE<sup>1</sup> BY GEOGRAPHY**

in €million	9 months 2020	9 months 2021	Change	
			Reported	Reported at constant currency*
EMEA	972.5	1,301.2	+33.8%	+35.0%
APAC	202.5	231.1	+14.1%	+16.6%
AMERICAS	135.6	152.0	+12.1%	+17.9%
<b>GROUP</b>	<b>1,310.7</b>	<b>1,684.3</b>	<b>+28.5%</b>	<b>+30.3%</b>

\* Constant currency at first nine months of 2020 exchange rates.

**CONFERENCE CALL**

Jesper Trolle, Chief Executive Officer and Pierre Boccon-Liaudet, Chief Financial Officer, will present this press release during a conference call in English to be held today at 09:00 a.m. (CET).

You can follow this conference call live via webcast at the following link: [www.exclusive-networks-ir.com](http://www.exclusive-networks-ir.com).

A replay will also be available for a period of one year.

All documents relating to this publication will be placed online on the Exclusive Networks Investor Relations website at [www.exclusive-networks-ir.com](http://www.exclusive-networks-ir.com)

Regulated information related to this press release and presentation is available on [www.exclusive-networks-ir.com](http://www.exclusive-networks-ir.com)

<sup>1</sup> As per IFRS.



## PROVISIONAL CALENDAR

- **Q4 2021 Financial update (Gross Sales and Revenue):** 21 February 2022
- **FY 2021 Financial Results:** 30 March 2022

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## About Exclusive Networks

Exclusive Networks is a leading global specialist in innovative cybersecurity technologies, providing services to accelerate the sale of cybersecurity disruptive and digital infrastructure technologies on a global scale. Exclusive Networks helps cybersecurity vendors scale their businesses globally, and offering channel partners (such as value-added resellers, system integrators, telcos and managed service providers) expertise, disruptive technologies and services to fit the needs of their corporate customers. Exclusive Networks also works with several vendors offering solutions in specific sub-segments beyond cyber.

Exclusive Networks excels by combining global scale with local execution. With offices in 40 countries and the ability to service customers across five continents and in over 150 countries, Exclusive Networks, headquartered in France, offers a “global scale, local sale” model. This model enhances performance in local operations by providing both global and local support. This approach has enabled Exclusive Networks to (i) develop one of the world's broadest portfolios of cybersecurity solutions from over 240 leading vendors and (ii) develop a worldwide customer base, consisting of over 18,000 VARs, SIs, Telcos and MSPs, indirectly serving more than 110,000 end-customers. Over the period from 2018 to 2020, Exclusive Networks engaged in business in more than 124 countries.

Exclusive Networks’ approach enables vendors to adopt a simple and agile go-to-market model in relation to their cybersecurity and digital infrastructure solutions, while benefitting from Exclusive Networks’ local expertise and market knowledge in each jurisdiction where it operates. Exclusive Networks’ scale is equally important to its customers as their own end-users may be located in multiple regions of the world. In addition, Exclusive Networks helps its customers through its expertise in vendor selection as cybersecurity and digital infrastructure solutions become ever more complicated and keep evolving in the face of increasing cybersecurity threats.