

[CELLULARLINE GROUP]

Full Year 2021 financial results

Reggio Emilia – 18 March 2022

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FY 2021 Highlights

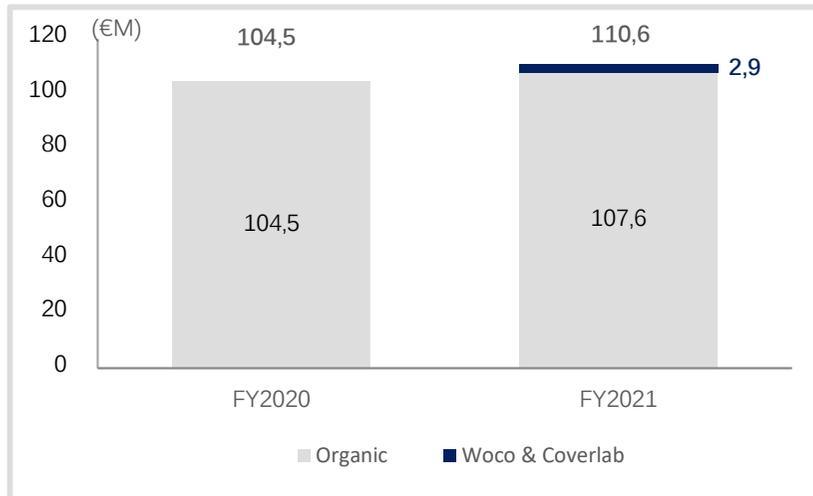
- **Key financial** indicators were **positive** in FY2021, in spite of a still **challenging economic context**.
- **Revenues +5.8%** in FY2021 equally driven by the **domestic** and **International** market, with **positive contribution** from latest acquired companies **Worldconnect** and **Coverlab**.
- **EBITDA € 16.1M** in FY 2021, with **14.6% on Revenues** showed **high marginality** for the mobile accessories market.
- **Net Result Adj.** recorded a **+ 40.7%** vs FY2020.
- **Strong Operating cash flow** for **€19.1M** in FY 2021, confirms the Group's business model **cash generation capability**.
- **Net Debt of €37.4M**, (**-€11.6 million vs FY 2020**), with Leverage ratio at 2.3x, gave ample **financial flexibility** for further acquisitions.
- Proposed an **extraordinary Dividend of €0.16**, of which by **cash €0.05** and through a distribution of n. **632.240 treasury shares**. **Dividend yield of 4.5%** rewarded to the Shareholders.
- Requested Shareholders' approval for a share **Buy back program** up to **7.0% of the share capital**.
- Despite **geopolitical uncertainty** surrounding the **global economy**, the Group looks with **optimism at the year ahead**, backed by the several projects implemented as well as the results of the first two months of 2022.



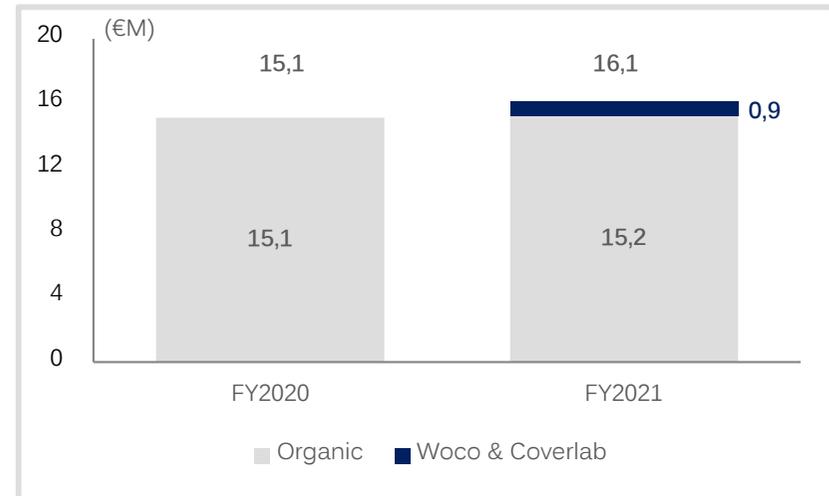
¹ Refer to Worldconnect AG (also "Skross" in the presentation) acquired on 23rd July 2020 and consolidated 100% since 1st August 2020.

Key financials (€M)

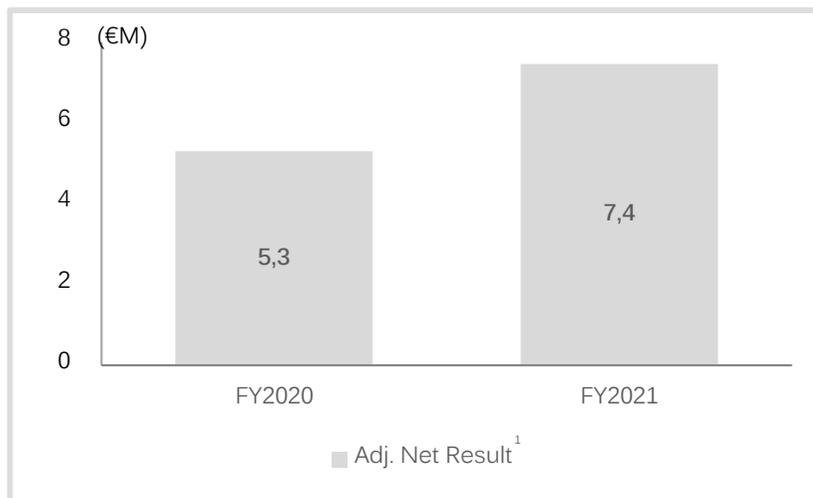
Revenues



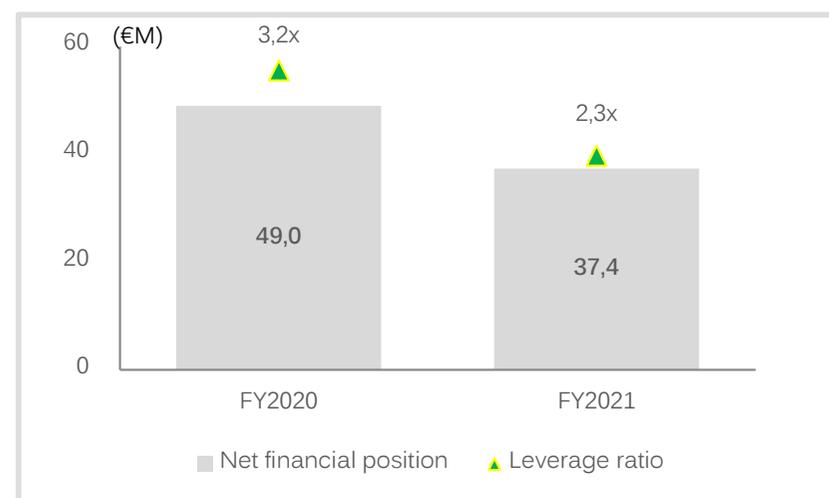
EBITDA Adj.



Net Result Adj. ⁽¹⁾



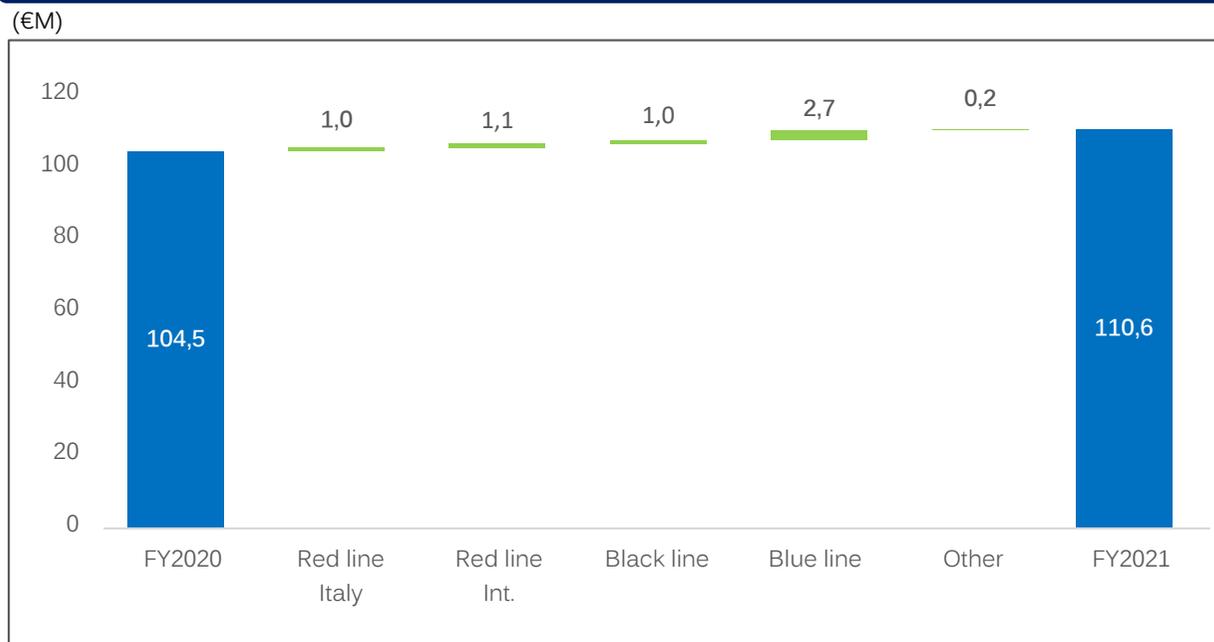
Net Debt



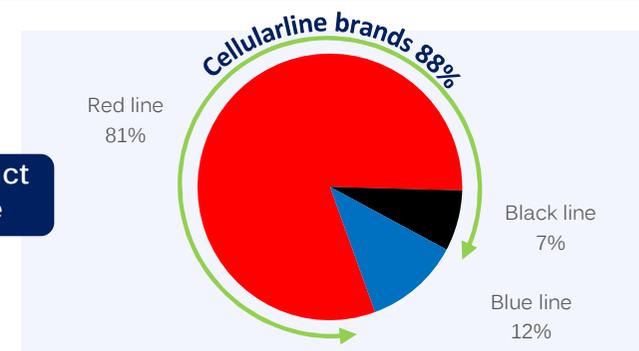
⁽¹⁾ Worldconnect & Coverlab impact not material.

Focus on Revenues

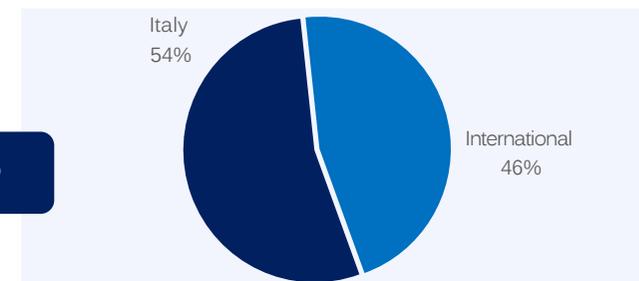
Revenues bridge



Product Line



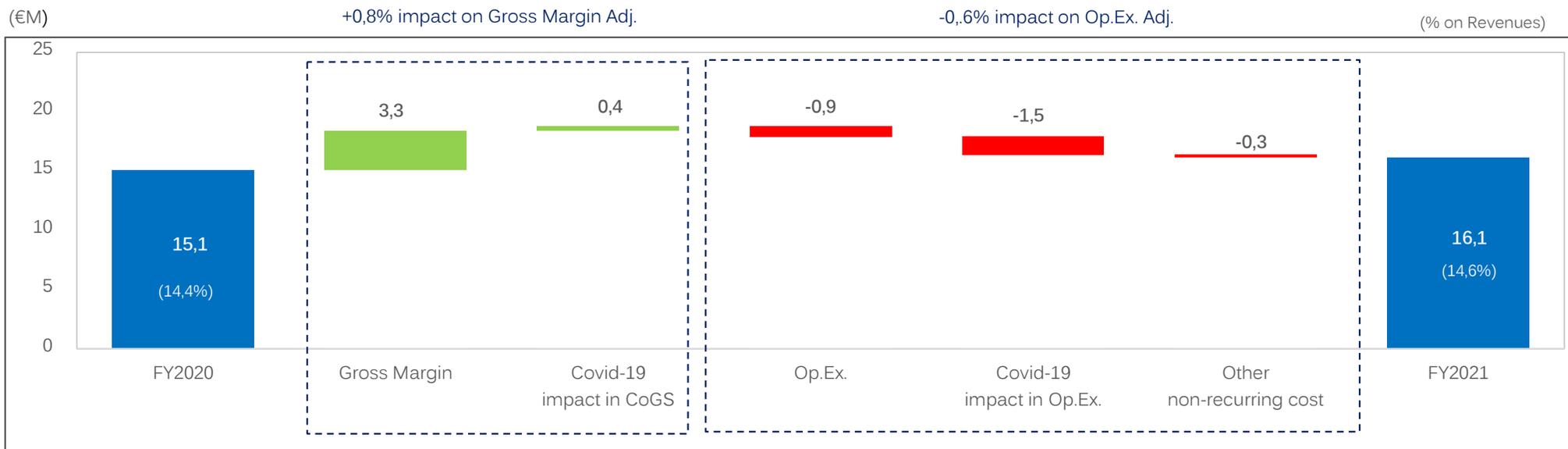
Geo



- Revenues in FY2021 were €110.6M, thanks to the positive contribution from all the three products line:
- Red line showed:
 - equivalent positive contribution from the domestic (+6.0%), as well as the international (+5.5%) markets, notwithstanding the unexpected lock down in IVQ 2021 in some countries where the Group operates;
 - positive contribution from Worldconnect (€4.6M), which began to benefit from the first signs of recovery in the Airport Travel Retail channel, thanks to the reopening of some international hubs and the E-commerce start up Coverlab (€0.3M).
- Black line, accessories for motorcyclists under Interphone brand, grew 14.3% mainly driven by Online channel;
- Blue line, dedicated to the sale of third-party brand products in distribution, increased Euro 2.7 million, thanks to higher demand for Samsung brand products distributed in Italy and the positive contribution of international countries.

Focus on EBITDA Adj.

EBITDA Adj. bridge



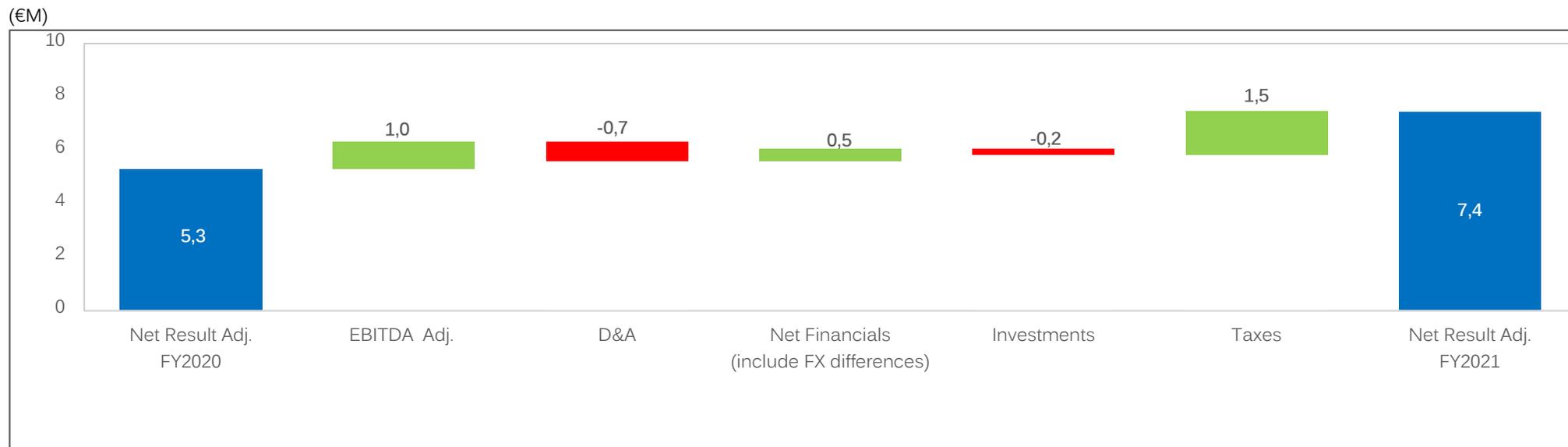
➤ EBITDA Adj. was €16.1M with a margin of 14.6% on Revenues. Worldconnect contributed for €0.8M and Coverlab for €0.1M in the period.

➤ EBITDA Adj. margin increased 0.2% in the period, mainly as a direct consequence of:

- 0.8 % improvement in the Gross Margin Adj. due to:
 - positive products mix;
 - higher absorption of fixed costs related to Logistics;
 - positive non-recurring effect relating to Covid-19 (€ 1.9M in FY2021 vs €1.5M in FY2020).
- 0.6% higher incidence of Operating Expenses Adj. on Revenues linked to:
 - personnel costs, mainly following the reduction in social state aid compared to 2020 and the integration of Worldconnect;
 - Agent commissions, following difference channel mix;
 - higher freight transport costs from the Far-East.

Focus on Net Result Adj.

Net Result Adj. bridge

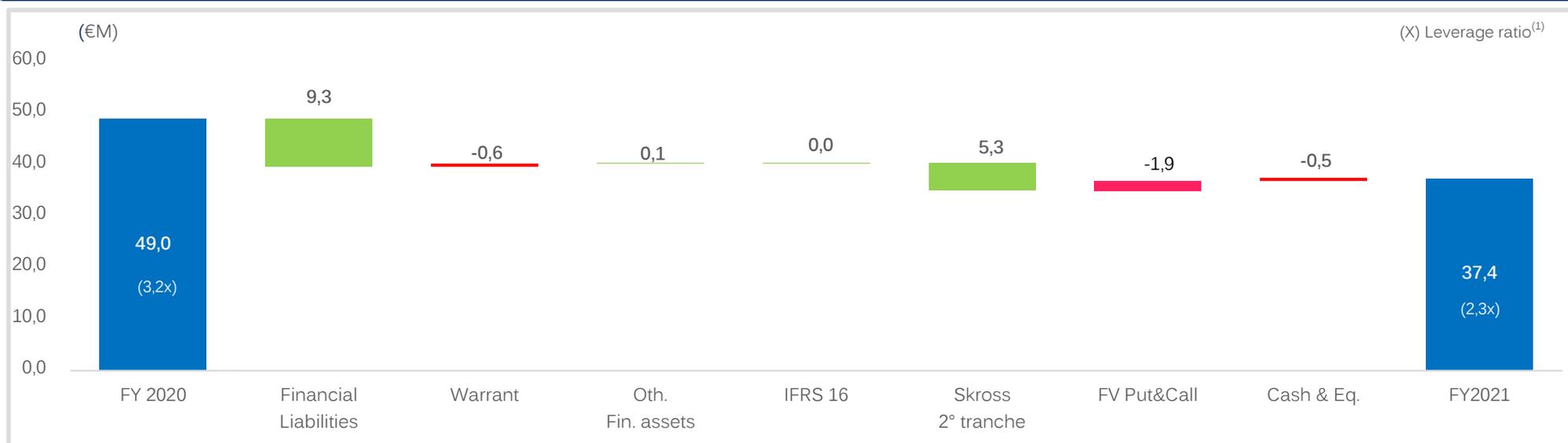


➤ Net Result Adj. grew 40.7% in FY2021 or €2.1M vs FY2020, as a consequences of :

- positive contribution from EBITDA Adj., thanks to business performance improvements;
- increase in D&A, mainly due to the consolidation of Worldconnect (acquired in July 2020);
- lower interest on financing and positive FX impact versus FY2020;
- negligible delta in the evaluation of associated company;
- higher theoretical tax impact calculated on the adjustments.

Focus on Net Debt

Net Debt bridge



Net Debt

(€m)	FY 2020	FY2021	Delta
Financial Liabilities	45,1	35,7	-9,3
Warrant	0,7	1,2	0,6
Oth. Fin. assets	-0,1	-0,0	0,1
IFRS 16	1,8	1,8	0,0
Skross 2° tranche	5,3	0,0	-5,3
Fair Value Put & Call	4,8	6,7	1,9
Cash & Equivalents	-8,6	-8,1	0,5
Net Debt	49,0	37,4	-11,6

- Net Debt as of 31 December 2021 (€37.4M) decreased €11.6M compared to FY2020, thanks to the strong Operating cash flow generation of the period (€19.1M), mainly related to the efficient Operating Working Capital management.
- In July 2021, paid the deferred consideration related to the Skross acquisition for €5.3M.
- Net Debt included Coverlab acquisition effects of *i*) cash out of €0.2M paid at closing for the 55% of the Share Capital and *ii*) debt for €1.7M related to the Put & Call agreement for the remaining 45%.
- Cash & Equivalents, together with the committed credit line for Acquisition (€20.0M) and undrawn commercial credit line facilities (€19.2M), guarantees financial flexibility for further M&A activities.

¹Leverage ratio: Net Debt/ EBITDA Adj..

²Fair Value Put & Call refers to: Systema €0,6M; Worldconnect €4,4M and Coverlab €1,7M.

Overview on FY 2022

- **Health emergency** - not yet fully resolved at global level - and **geopolitical risks** - deriving from the outbreak of the war in Ukraine - **exacerbate unpredictability** on the **global economy**.

- **The Management**, despite of the current complex economic context, is fully **focused on**:
 - **Brand and products**: innovation and expansion of the product range, a distinctive element of the Group's DNA, in order to meet the needs of the final consumer by interpreting market trends;
 - **Core business**: confirmation of leadership in the domestic market through the strengthening of partnerships with the main retailers and expansion into international markets through the acquisition of new customers and agreements with strategic local distributors;
 - **E-commerce**: implementation of the strategic plan defined in 2021 which provides both the implementation of business to consumer - through the Group's proprietary sites and market places - and business to business with the strengthening of the partnership with the online sites of main players in the sector;
 - **Travel Channel**: gradual recovery of the Airport Travel Retail channel, expected to be fully operational starting from 2023, the main reference channel of the company Worldconnect AG;
 - **Blue Line**: thanks to the unbundling effect of accessories also by Samsung, of which the Group is the main distributor for accessories in Italy;
 - **M&A**: scouting for potential transactions in channels, products and markets deemed strategic.

- **The management**, backed by the several projects implemented as well as the results of the first two months of 2022, expects an increase in **Revenues** and **Margins grow** in **FY2022**, with a further gradual **reduction** in the level of **Net financial debt**.

Q&A session



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