

**[CELLULARLINEGROUP]**

**EURONEXT STAR CONFERENCE**

24 March 2022

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## Table of contents

1. Introduction to Cellularline Group
2. Business model
3. Growth opportunities
4. FY 2021 Financial results
5. Appendix

## The European benchmark for the smartphone and tablet accessories market

### Cellularline Group at a glance

  
+30 Years of history

  
Headquarters in Reggio Emilia (Italy)  
+4 Offices in Europe

  
+250 Employees

  
+60 Countries served  
+15 mln Products shipped in 2020  
10.000 m<sup>2</sup> Warehouse in Italy

Be the European benchmark for the smartphone accessories market, renowned for quality and passion for innovation

### Key financials FY 2021

- Revenues: Euro 110.6 million
- Adj. EBITDA: Euro 16.1 million (14,6% on Revenues)
- Adj. Net Profit: Euro 7.4million (6.7% on Revenues)
- Net Debt: Euro 37.4million (2.3x Leverage ratio)

Provide end users with accessories that combine excellent performance and quality with simplicity, to ensure a unique experience

### Key success factors



Brand recognition and strong positioning in EMEA markets



Excellence in quality, performance and innovation



Flexible & highly cash generative operating model



Management expertise

Always prepared to seize new market opportunities

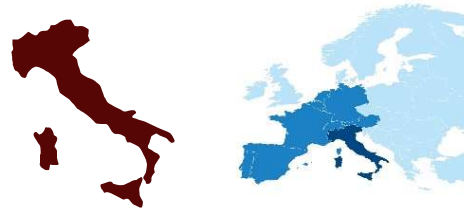
*Cellularline development phases*

**Booming Phase**  
*development of the smartphone era*



*Riding the wave of new smartphone era  
Offering a wide range of smartphone  
and tablet accessories*

**Consolidation Phase**  
*in major market segments*



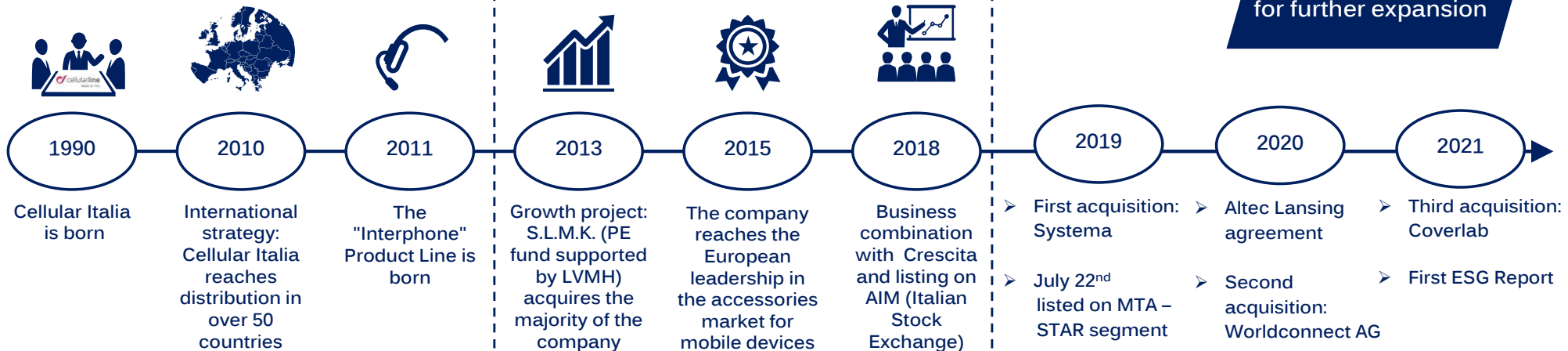
*Developing international markets  
Focusing on operational excellence  
Strengthening management team,  
compliance and IT system*

**Expansion Phase**  
*organic growth and M&A*



*Exploiting further opportunities  
in international markets,  
underdeveloped channels and  
new products*

**Financial flexibility  
for further expansion**





2. Business model

# The smartphone



## Beyond the smartphone





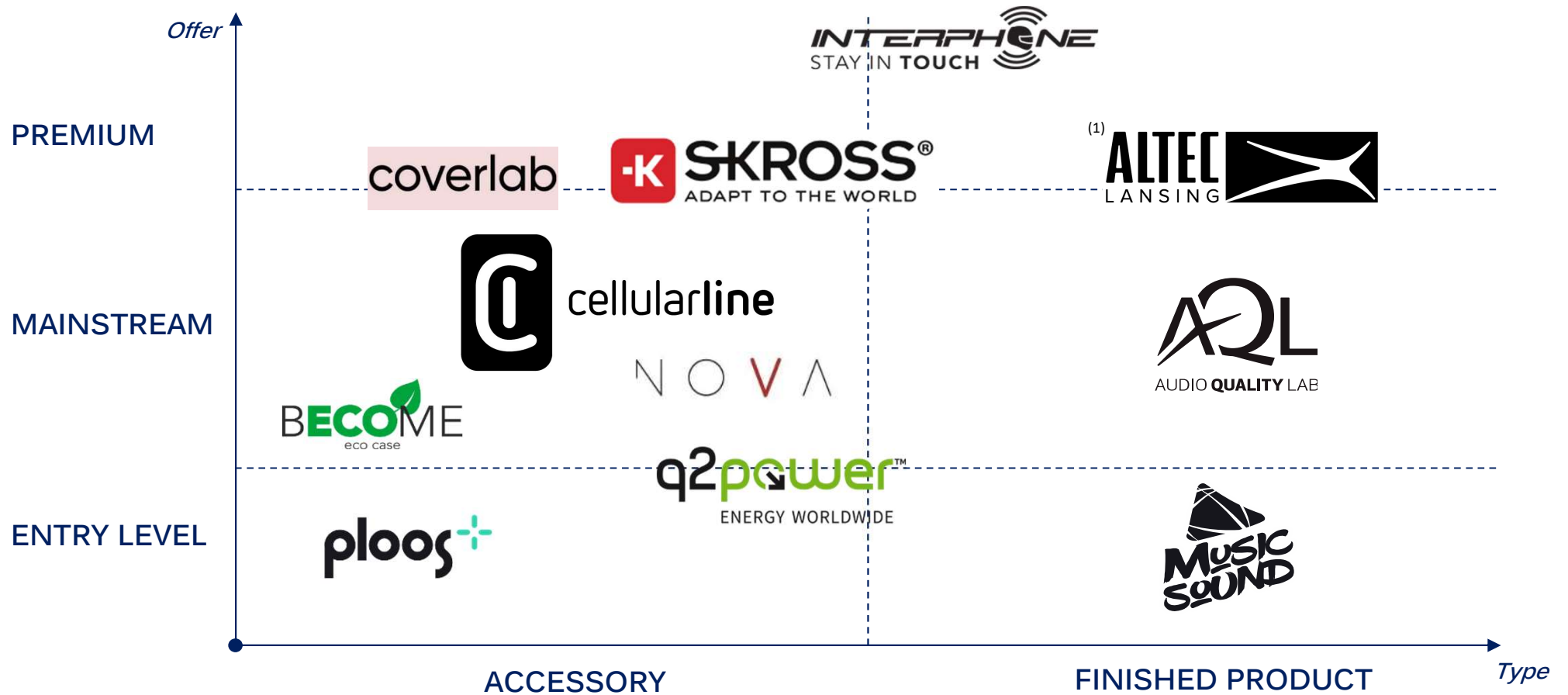
## 2. Business model

### A rich product mix to satisfy every user's need

Product Type	Brand	
Protection & Style	   	     
Charge and utility	   	     
Voice and music	  	      
Motorbike & bike		   
Travel adapters	 	   

<sup>(1)</sup> License agreement with AL Infinity LLC for the co-design, production and exclusive distribution of Altec Lansing products in Europe, UK and Switzerland for 2021, 2022 and 2023.

## Unrivalled brand portfolio for a wide range of targets



*Subordinated to the smartphone market*

*These accessories satisfy needs that depend upon the use of the smartphone. Their obsolescence is connected to the life cycle of the product itself.*

*Not subordinated to the smartphone market*

*The need of these products remains even if smartphone change. A high innovation rate is required.*

(1) License agreement with AL Infinity LLC for the co-design, production and exclusive distribution of Altec Lansing products in Europe, UK and Switzerland for 2021, 2022 and 2023.

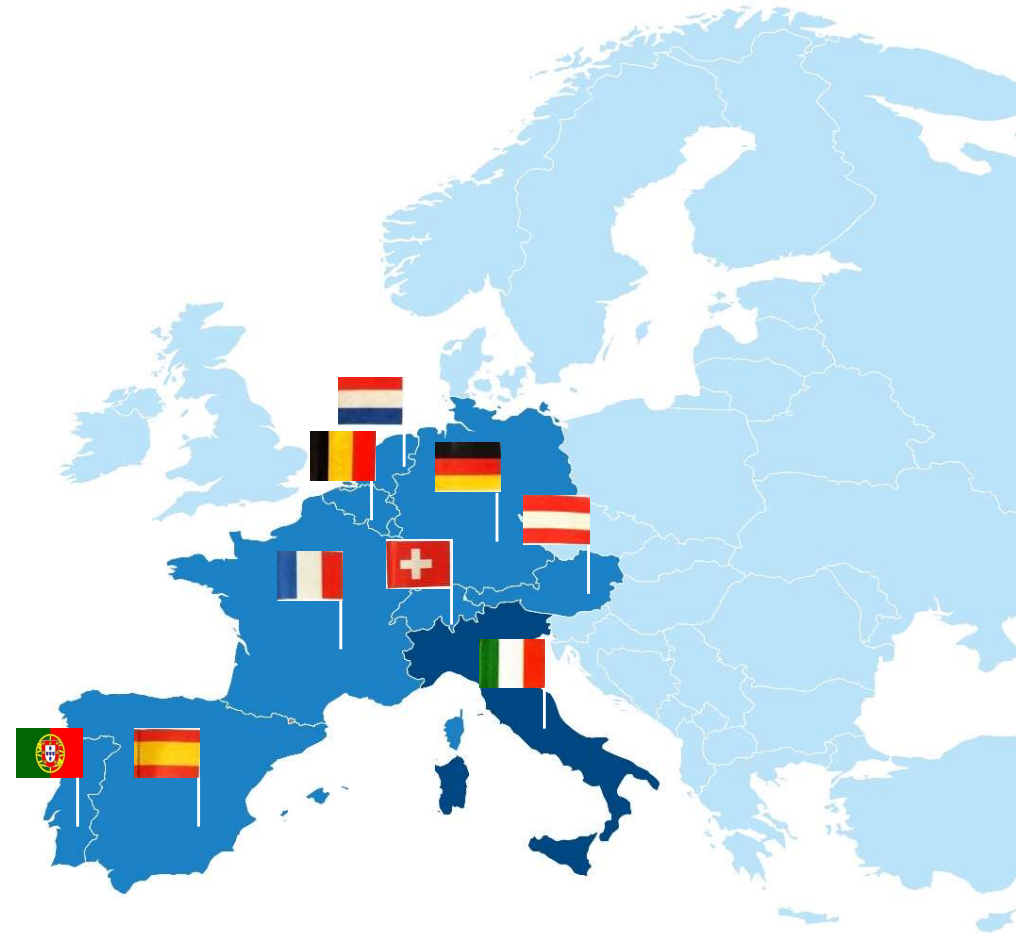
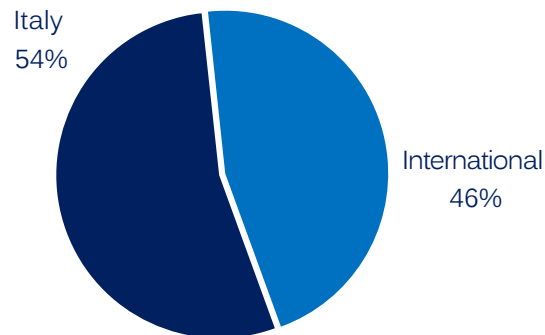
## 2. Business model

### Leadership in a sizeable EMEA market of around €4bln<sup>(1)</sup>

#### Market leadership

The Group is the European leader in the field of accessories under 100 euros, for smartphones and tablets. We are the only company with a significant presence throughout the continent, with an absolute leadership position in Italy.

#### Revenues by geography<sup>(2)</sup>

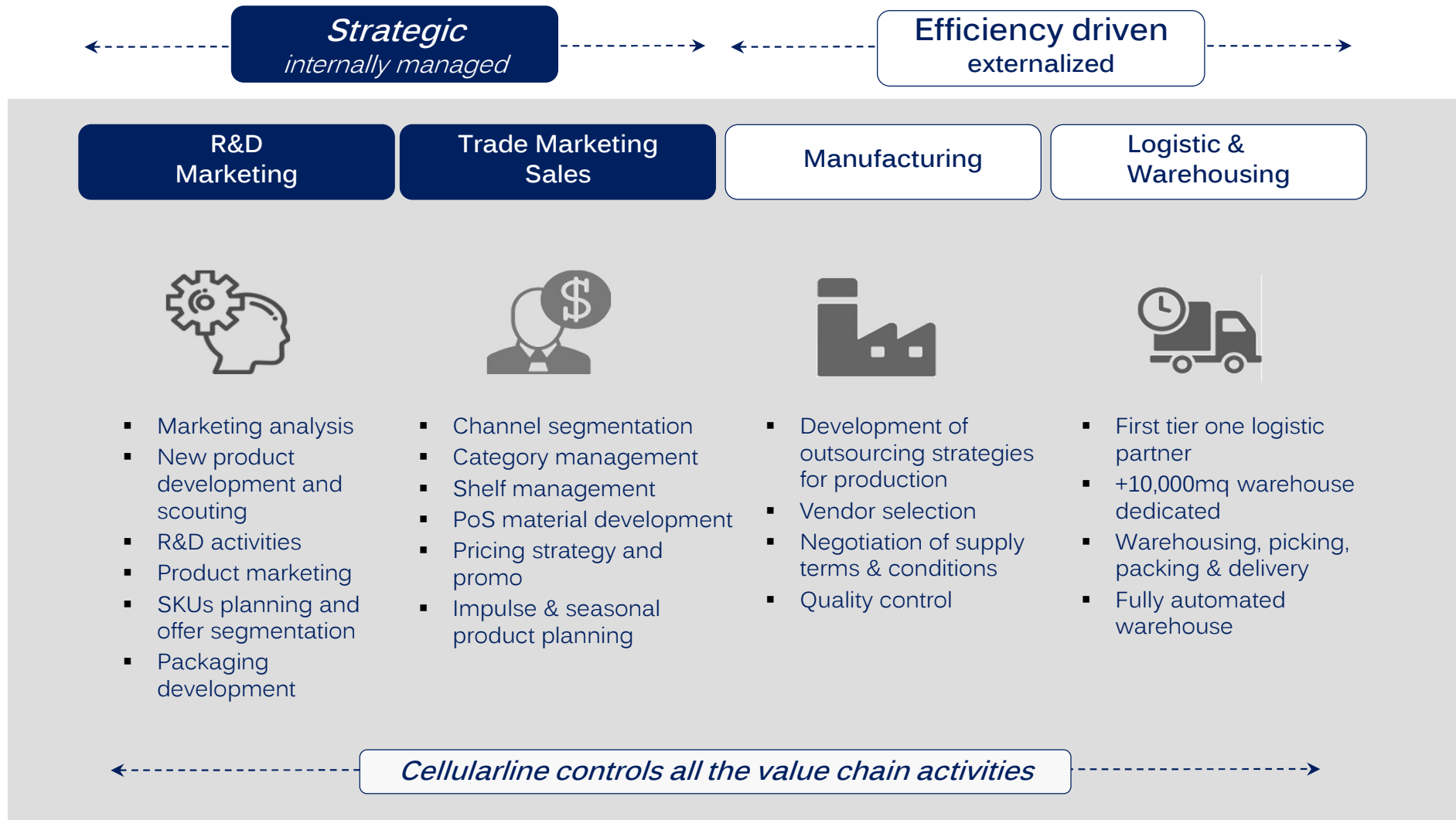


<sup>(1)</sup> Market value for smartphones accessories with price below € 100, estimated by management based on data provided by leading research institutes.

<sup>(2)</sup> As of 31 December 2020.

<sup>(3)</sup> Germany & Austria, France, Spain & Portugal, Benelux, Switzerland.

## A distinctive and effective business model



## State-of-the-art trade marketing

Distinctive strategy  
by channel



Data driven  
assortment  
Management<sup>(1,2)</sup>



An integrated  
process to  
maximize the  
customer  
experience

Merchandising strategy  
& store execution



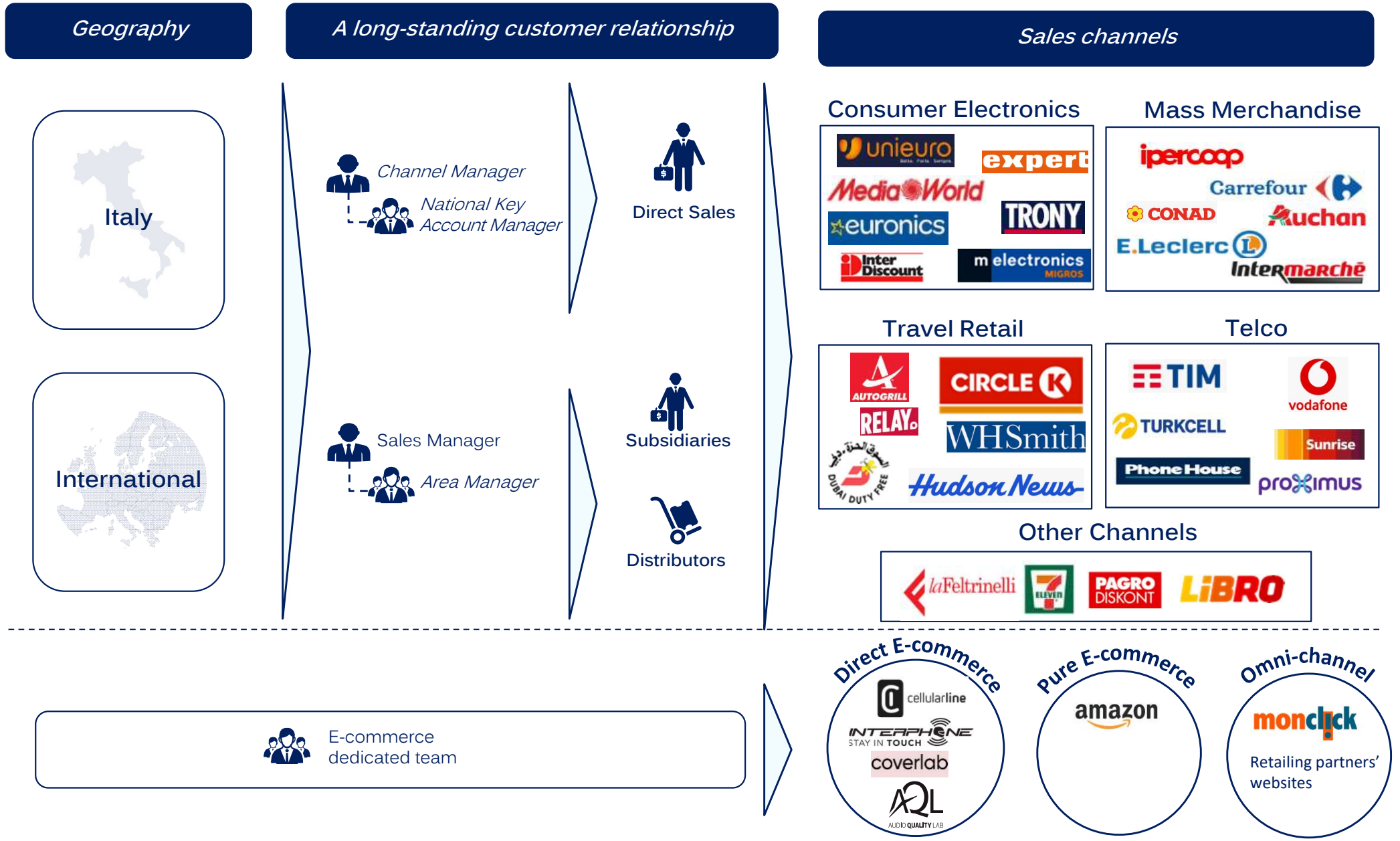
Pos communication &  
impulse material  
development



<sup>(1)</sup>+3.000 PoS sell-out data analyzed on a weekly basis.




<sup>(2)</sup>+30% of Revenues were generated from products launched during the year.

Multi-channel partner and customer proximity to strengthen relationships with users



## 2. Business model

### Aim to be the point of reference in the smartphone accessories market

Ownership	Brand	Product Line	Description
Cellularline brands		<p><b>Red line</b> ~ 87% of total Revenues</p>	<p>The Group's core product line focused on design and marketing a wide range of branded accessories for smartphone.</p>
		<p><b>Black line</b> ~ 5% of total Revenues</p>	<p>Niche accessories line of innovative solutions dedicated to motorcycles and bicycles.</p>
Third-party brands		<p><b>Blue Line</b> ~ 8% of total Revenues</p>	<p>Distribution of non-Cellularline products, acting mainly as a service partner for top brands.</p>

<sup>(1)</sup> License agreement with AL Infinity LLC for the co-design, production and exclusive distribution of Altec Lansing products in Europe, UK and Switzerland for 2021, 2022 and 2023.

## Key takeaways

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**Leading European brand** and **pioneer** in the development and sale of accessories for smartphone and tablet

**Flexible business approach** with a **customer centric focus**, led by experienced management with a background in **consumer goods**

**Unique business model** across the value chain from **product development** to satisfaction of **end-users** through **market analysis, planning** and **marketing**

**Sizeable** and **addressable market**, offering significant **growth** opportunities through **internal** and **external** development strategies

## Pillars of a unique identity



A photograph of a person with curly hair, wearing a light blue shirt and dark pants, sitting on a yellow bench. They are looking down at a smartphone in their hands. The background shows a city skyline across a body of water, with several people sitting on other benches in the distance. The scene is brightly lit, suggesting a sunny day.

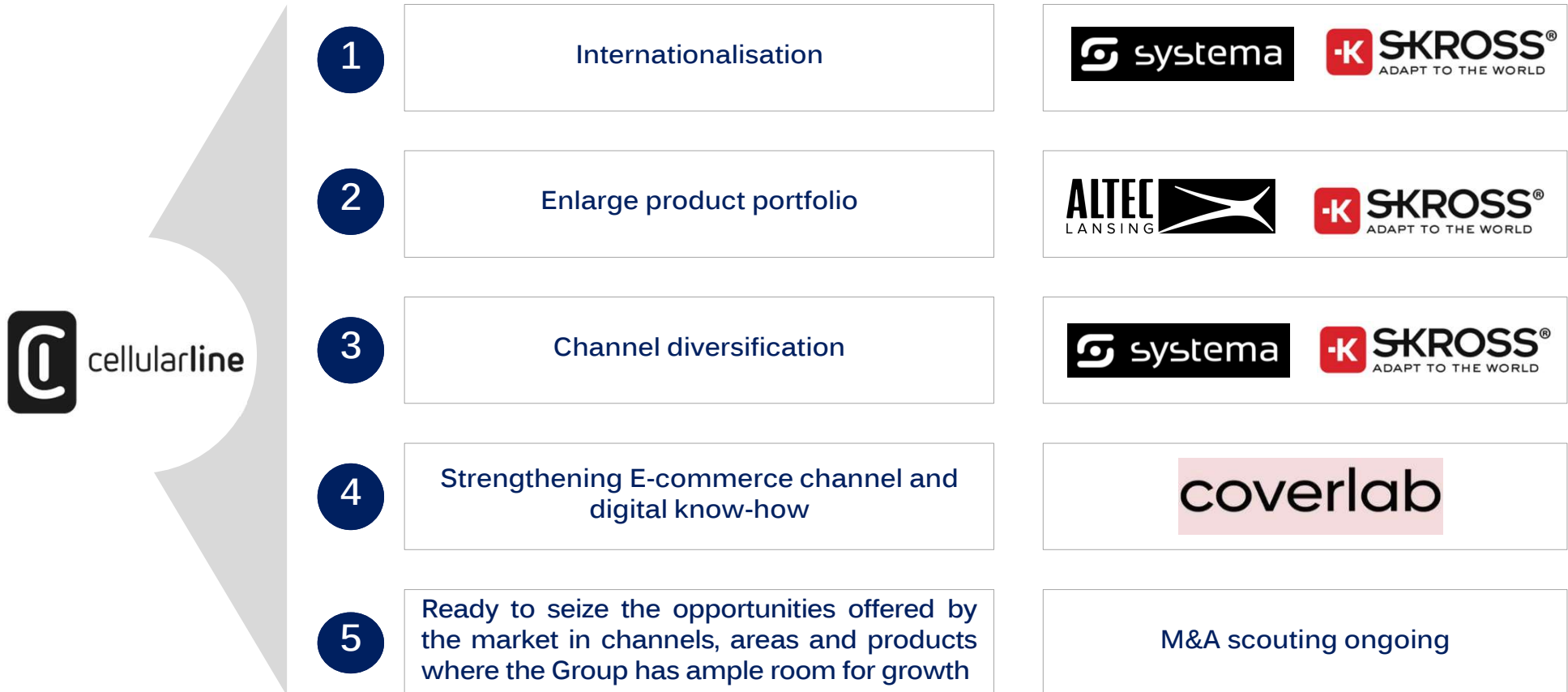
**3. Growth opportunities**

## Growth levers: the strategy for success




## Acquisitions are fully aligned with the Group's development strategy

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## Our commitment for a sustainable future

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	<u>Impact profile</u>	<u>Statement</u>
	<b>1</b> Purpose & Governance	We do not consider sustainability as a constraint, but rather an opportunity to reach our maximum potential.
	<b>2</b> Customer & Clients	Customers are increasing their environmental responsibility and we want to meet their needs by progressively transforming our offer towards higher sustainability performance.
	<b>3</b> People & Community	People are at the heart of the company's operation and are our main success factor, we keep investing to maximise our human capital.
	<b>4</b> Product & Packaging	We invest in the research and development of materials that maintain excellent quality performance, but which are even more sustainable.
	<b>5</b> Environment	Evaluating and reducing our footprint on the planet is a direction that we feel is as decisive for the success, so we want to consider and involve the entire value chain.



4. FY 2021 Financial results

### FY 2021 Highlights

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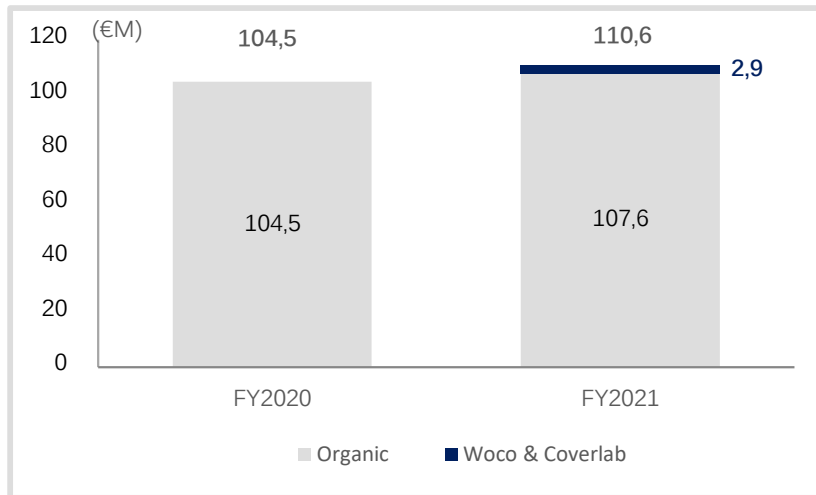
- **Key financial** indicators were **positive** in FY2021, in spite of a still **challenging economic context**.
- **Revenues +5.8%** in FY2021 equally driven by the **domestic** and **International** market, with **positive contribution** from latest acquired companies **Worldconnect** and **Coverlab**.
- **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.



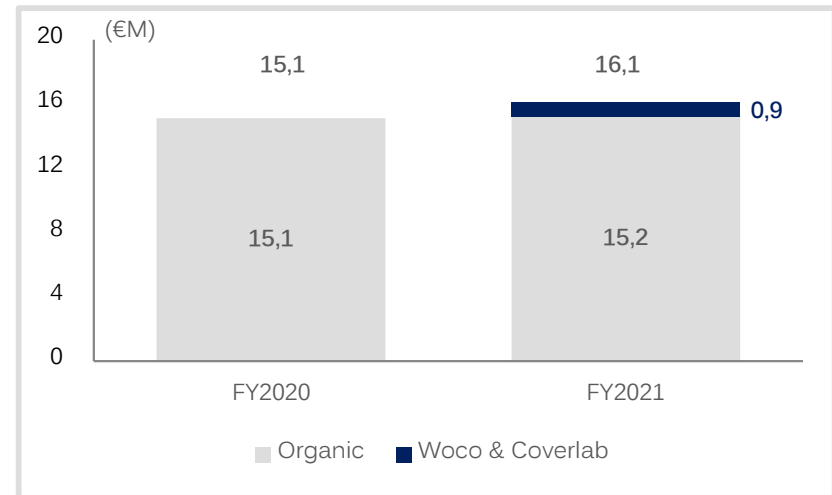
<sup>1</sup> Refer to Worldconnect AG (also "Skross" in the presentation) acquired on 23<sup>rd</sup> July 2020 and consolidated 100% since 1<sup>st</sup> August 2020.

## Key financials (€M)

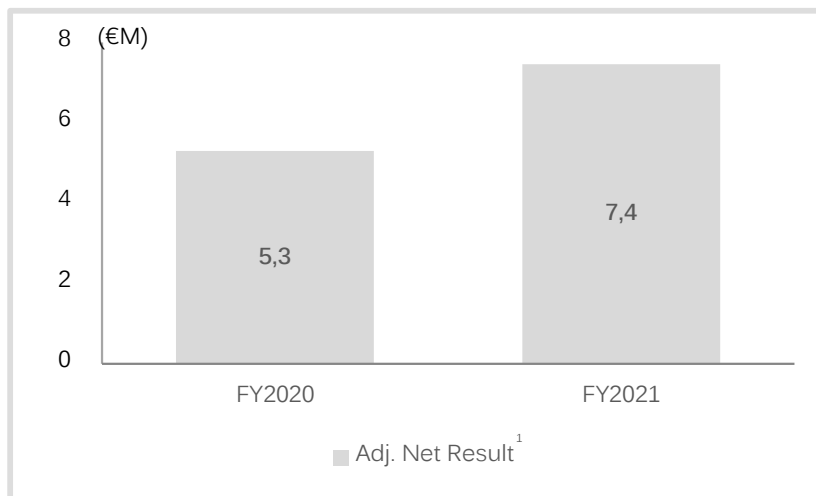
### Revenues



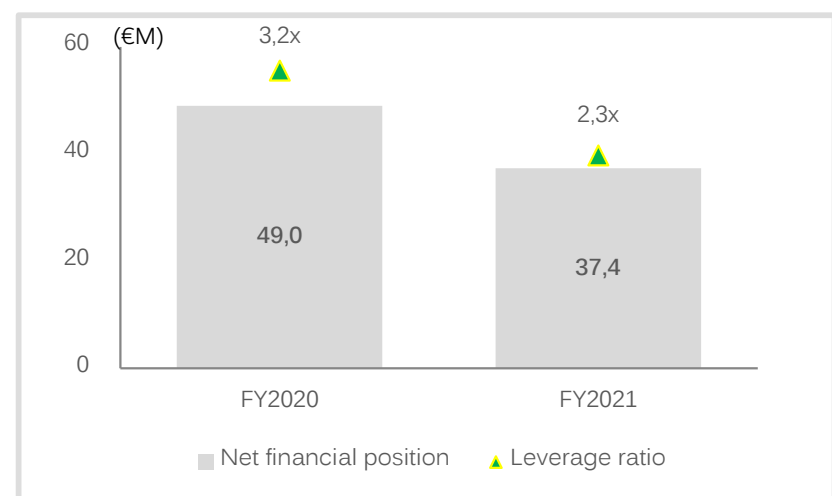
### EBITDA Adj.



### Net Result Adj. <sup>(1)</sup>



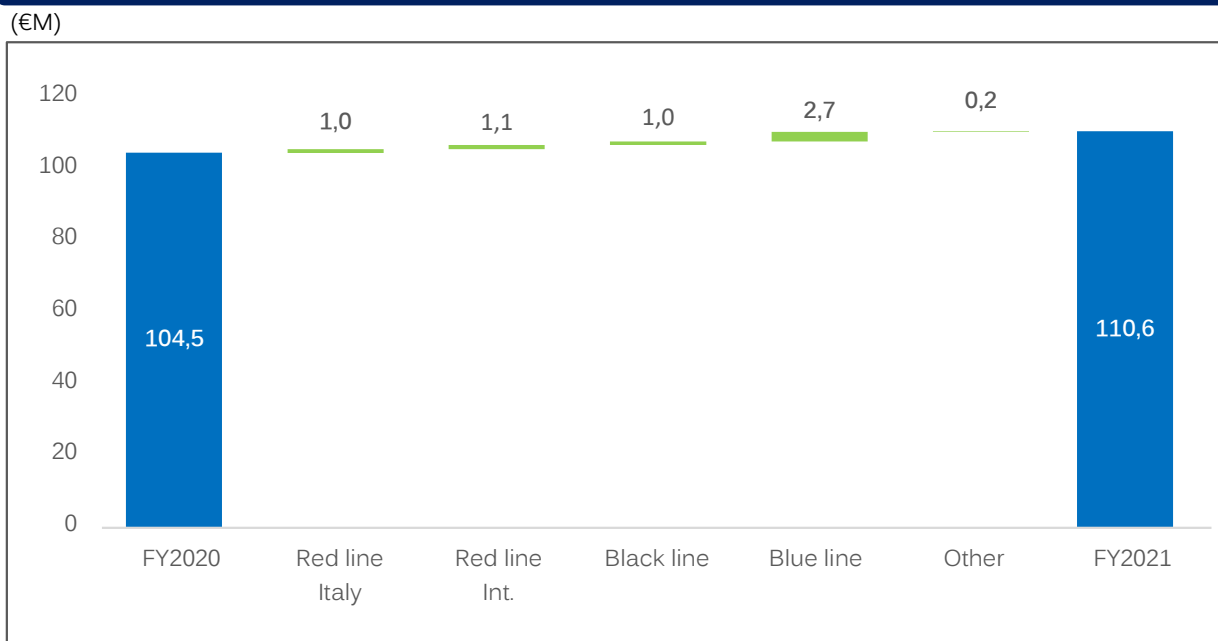
### Net Debt



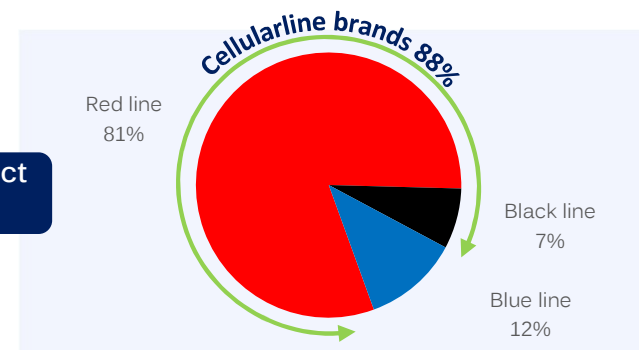
<sup>(1)</sup> Worldconnect & Coverlab impact not material.

## Focus on Revenues

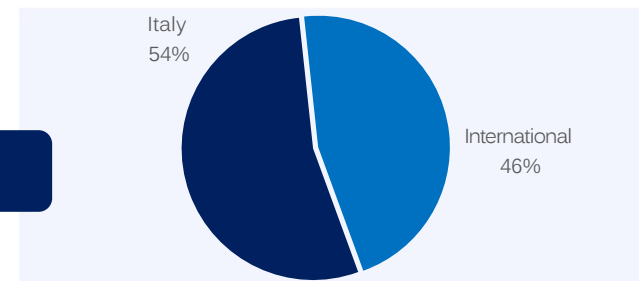
### Revenues bridge



#### Product Line



#### Geo

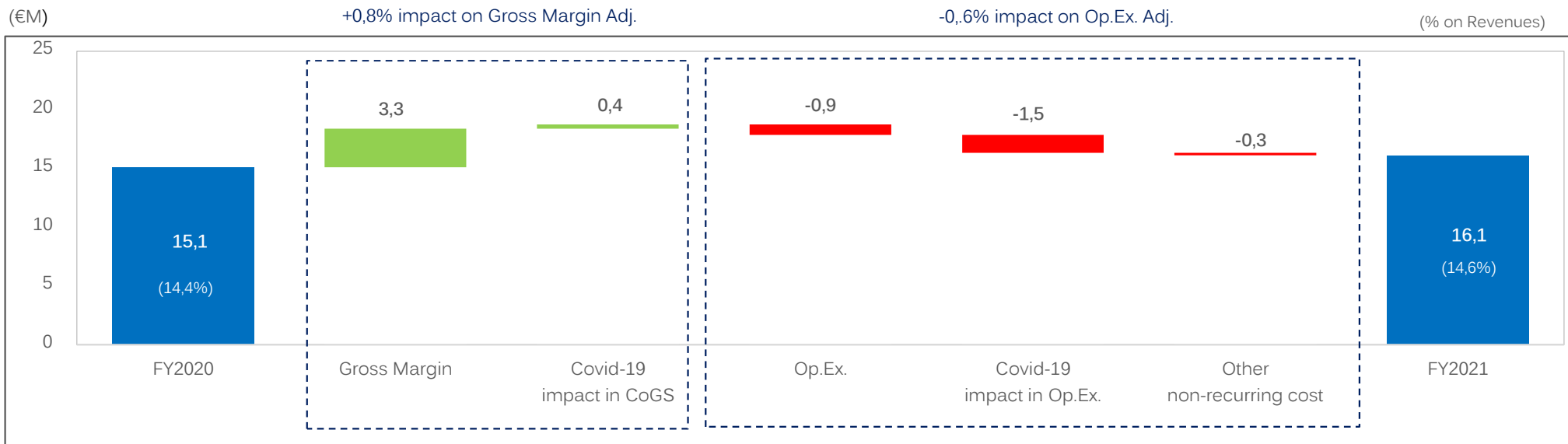


- Revenues in FY2021 were €110.6M, thanks to the positive contribution from all the three products line:
- Red line showed:
  - equivalent positive contribution from the domestic (+6.0%), as well as the international (+5.5%) markets, notwithstanding the unexpected lock down in IVQ 2021 in some countries 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



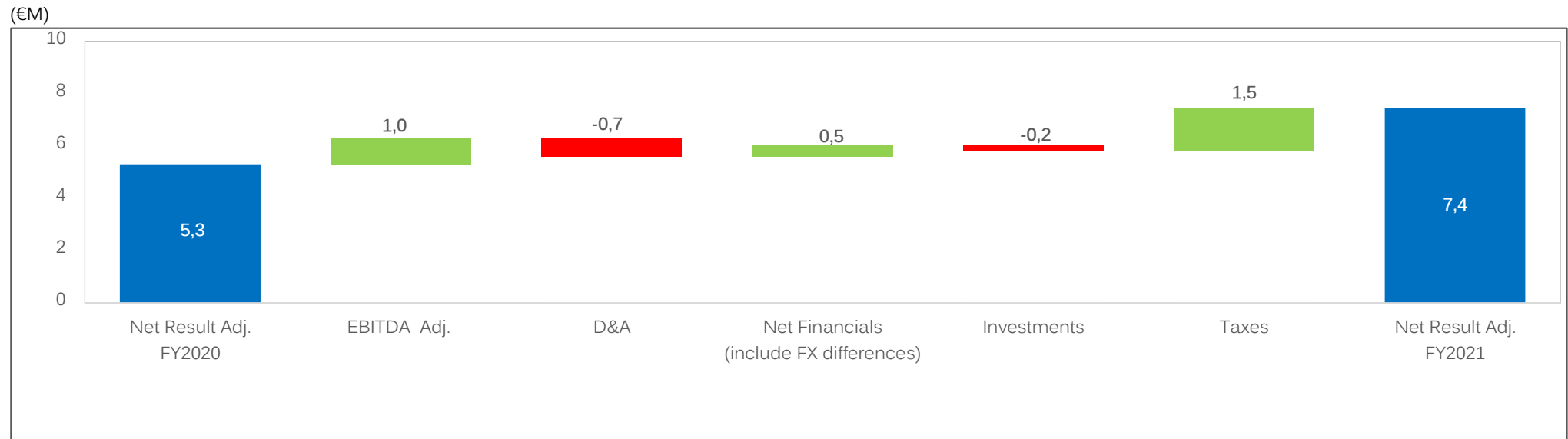
➤ EBITDA Adj. was €16.1M with a margin of 14.6% on Revenues. Worldconnect contributed for €0.8M and Coverlab for €0.1M in the period.

➤ 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



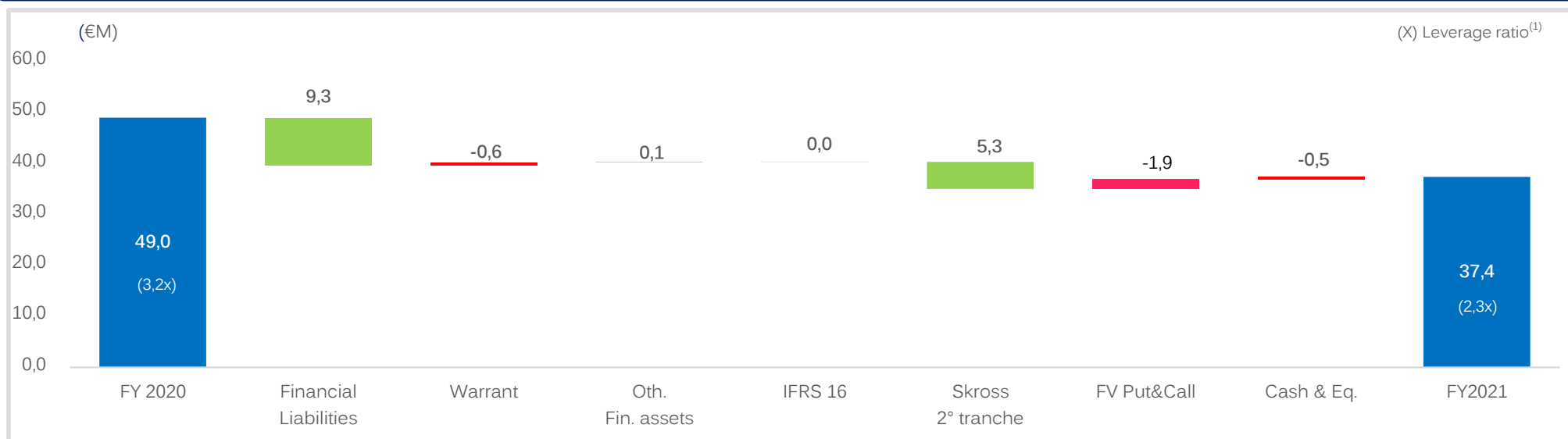
➤ Net Result Adj. grew 40.7% in FY2021 or €2.1M vs FY2020, as a consequences of :

- 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.

## 4. Full Year 2021 Financial results

### 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
<b>Net Debt</b>	<b>49,0</b>	<b>37,4</b>	<b>-11,6</b>

- 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.

<sup>1</sup>Leverage ratio: Net Debt/ EBITDA Adj..

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

## Overview on FY 2022

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- **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 marketplaces - 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**.



5. Appendix

## Shareholders structure

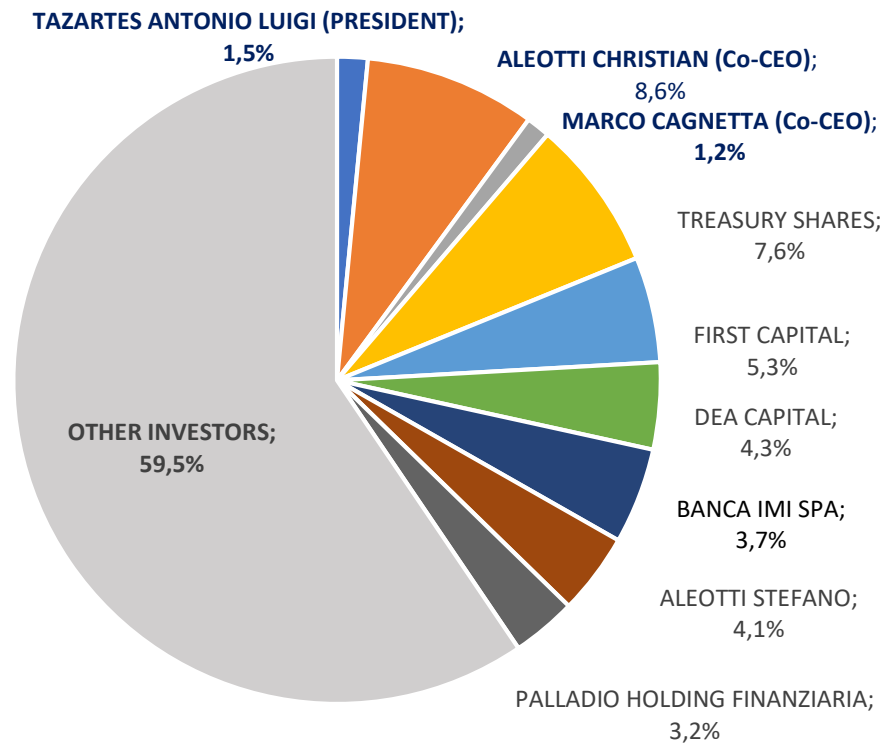
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MTA – Star segment  
(Ticker: CELL)

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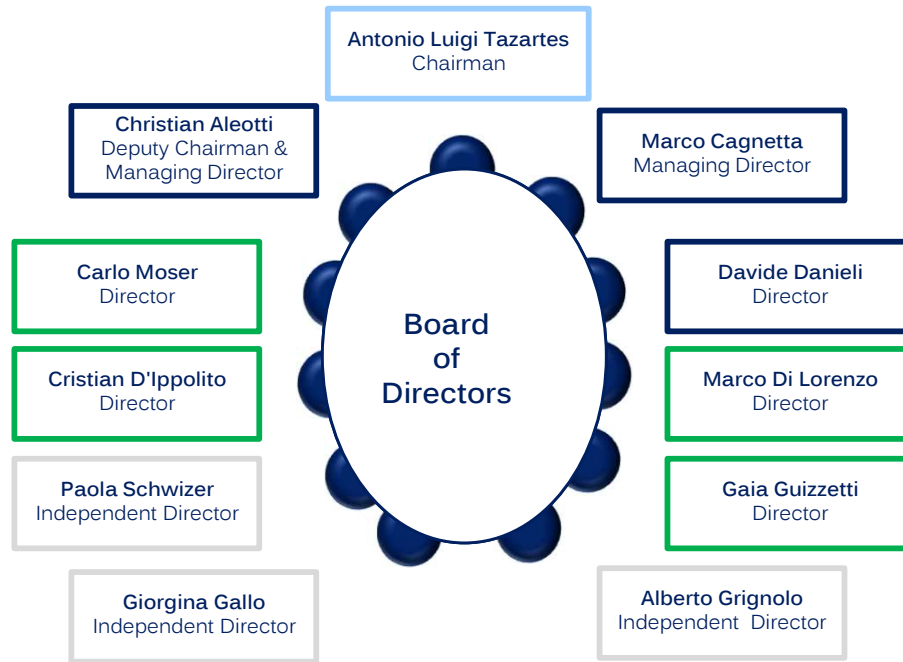
Top Management  
11.3%

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## Corporate governance

### Board of Directors



### Audit Committee



 Management

## Committed management team with long experience in FMCG



*Co-CEO  
Product &  
Sourcing*

**Christian Aleotti**  
*(in CL from 1991)*

Co-founder



*Co-CEO  
Sales,  
Marketing &  
Trade Marketing*

**Marco Cagnetta**  
*(in CL from 2004)*

L'Oréal - Reckitt Benckiser -  
Nestlé



*Chief  
Information  
Officer*

**Massimo Marabese**  
*(in CL from 2019)*

Vorwerk - Verizon -  
Fastweb



*Chief  
Corporate &  
Financial  
Officer*

**Davide Danieli**  
*(in CL from 2021)*

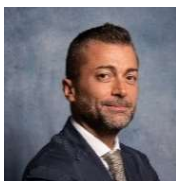
Prima Industrie, PWC



*General Manager  
Black Division  
COO*

**Emilio Sezzi**  
*(in CL from 2002)*

Eltron



*Marketing &  
Communication  
Director*

**Alessio Lasagni**  
*(in CL from 2011)*

Lactalis - Arena -  
Barilla



*Trade  
Marketing  
Director*

**Albino Spaggiari**  
*(in CL from 2011)*

Cloetta - Nestlé



*Group  
HR  
Director*

**Daniela Sorrentino**  
*(in CL from 2020)*

Barilla - Fiat



*Business  
Development  
& Field  
Director Italy*

**Cristiano Canzan**  
*(in CL from 2017)*

Danone - Reckitt  
Benckiser - Heinz



*Italy &  
Consumer  
Division*

**Paolo Cau**  
*(in CL from 2009)*

De Longhi - Indesit



*International  
Division*

**Fabio Gusmani**  
*(in CL from 2001)*

Panini - Tetra Pak



*Special  
Channels &  
Retail  
Division*

**Massimiliano Montagnana**  
*(in CL from 2008)*

SSL/Healthcare



Board member



## IR contacts



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