



# **Presentation of the Group Industrial Plan 2012 – 2014**

**15th November 2011**

**The contents of the following document are included in the press release issued by the company on 15th November 2011 following the approval by the Board of Directors meeting held on the same day.**



# Industrial Plan 2012-2014

**CDC Point S.p.A., listed in the ordinary MTA segment of the Italian Stock Exchange since 2000, is one of the main Italian operators in the distribution of Information Technology products via a **multi-channel** and **multi-business** strategy.**

**The actions carried out in 2011 concentrated on the following areas:**

- **Expanding the Distribution network (46 branches in Italy)**
- **Integrating the Essedi chain (89 sales outlets in Italy)**
- **Rationalizing the Computer Discount chain (161 sales outlets in Italy)**
- **Expanding the Amico shops (314 sales outlets in Italy)**
- **Setting up CDC Tech an Added Value division**
- **Rendering the HyperTix Consortium (Tuscany Region Datacentre) fully operational**
- **Corporate simplification**

**As anticipated in the previous 11-13 Industrial Plan**



# Industrial Plan 2012-2014

## *General Picture*

The expected closing figure for 2011 of c. **322 Million €** will not produce a positive consolidated Group result, mainly due to a mixture of negative economic and market trends which have impacted on the volumes and gross margin, despite the new sales activities undertaken in 2011 and the extending of the range of activities which have entailed further costs.

Relevant Market reference for 2011: c. **-3%**, against a positive forecast of **+2,0%**

The 2012 – 2014 plan will concentrate on the following plans taking into account the present negative market trend (for 2012 a forecast of **-1.7%** for Distribution companies):

- An Accelerated Plan for reducing operating costs
- The Development of commercial activities within the current commercial range



# Industrial Plan 2012-2014

*CDC Group Sales Channels and commercial Banners*



## Distribution Channel



## Retail Channel



## Corporate Channel

## CDC Tech Solutions



# Industrial Plan 2012-2014

*Main CDC Group own brand products*





# **Industrial Plan 2012-2014**

## *2011 closure Forecast vs 11-13 Plan Forecast*

- **The 2011 closure forecast of c. 322 Million € (vs the 359 Million € estimated in the previous Plan) confirms a drop in revenues of around -6,8% on 2010, which is in-line with the current negative market trends**
- **The gross margin of around 36,5 Million € (vs the 43,2 Million € estimated in the previous Plan) shows a decrease of -15,5% with respect to the forecasts, for the following reasons:**
  - **A Reduction in the Group's revenues**
  - **A Reduction in the % margin following the company's planned expansion into areas with a lower marginality and higher competitive pressure both at the top and the bottom of the distribution chain.**



# **Industrial Plan 2012-2014**

## *Main Points of the 12-14 Plan vs the previous 11-13 Plan*

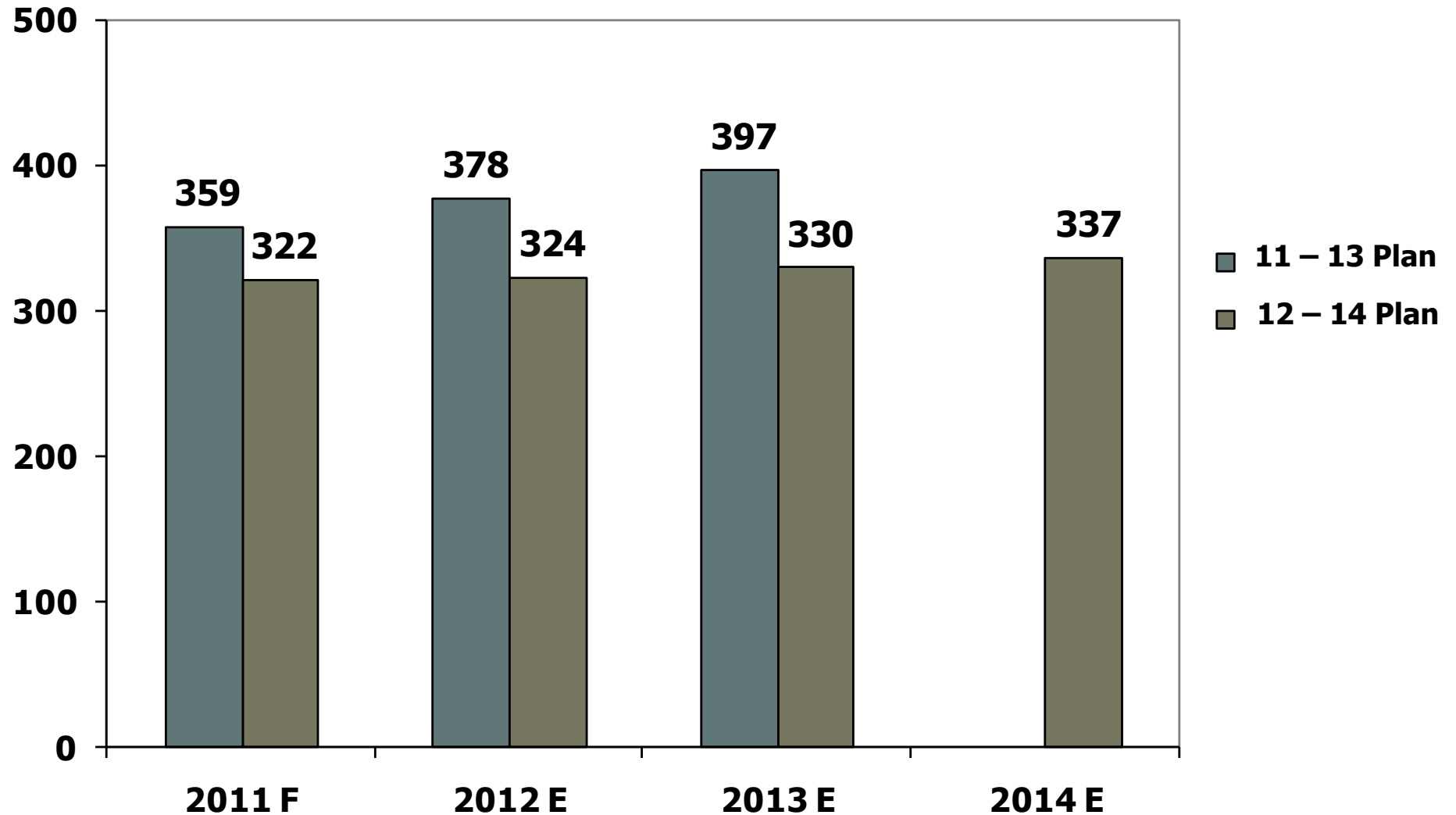
- **Given the stagnant market situation, the 12-14 Plan will concentrate on maintaining the 2011 company value (c. 322 Million €) and on recuperating the forecasted market decrease in the distribution segment (Sirmi/GFK data)**
  - **The 12-14 Plan highlights a CAGR of 1,5% with respect to the 4,8% of the 11-13 Plan**
- **The value of the **gross margin** in the 12-14 Plan is in-line with the 2011 value, which is less than in the previous Plan, but estimates a stable trend for the upcoming three years**
  - **Average Margin c. 11,0% vs 12,0% in the previous Plan**



# Industrial Plan 2012-2014

*Evolution of Revenues 12-14 Plan vs 11-13 Plan*

(Million €)





# Industrial Plan 2012-2014

## *Strategic Aims*

- To maintain the company value by taking full advantage of the extended company scope which took place in the previous years
- A return to a situation of economic stability from 2012 (excluding restructuring costs) with increasing profitability for 2013 and 2014
- To adjust the company structure to the Group's expected turnover and margin figures by means of a drastic reduction in **structure costs** in 2012 for the following:
  - Labour Costs (-3,0 Million € vs 2011)
  - Service Costs (-4,0 Million € vs 2011)(Excluding the estimated restructuring costs of c. 1,5 Million €)



# **Industrial Plan 2012-2014**

## *EBITDA*

### **EBITDA Evolution**

- **2012** **5,7 Million €**
- **2013** **8,2 Million €**
- **2014** **8,9 Million €**

**The incidence within the Plan will increase from c. 1,7% to 2,6% of the revenues which is in keeping with the company's historical values and will guarantee an adequate safety margin at the end of the Plan which will be able to meet any new market turmoil should it occur**



# **Industrial Plan 2012-2014**

## *Net Financial Position*

### **NFP Evolution**

- **2012** - **36,4 Million €**
- **2013** - **34,9 Million €**
- **2014** - **32,7 Million €**

**The NFP value will decrease slightly within the range of the Plan, and the aim is to keep it lower than the value of the Operating Net Working Capital at all times**



# Industrial Plan 2012-2014

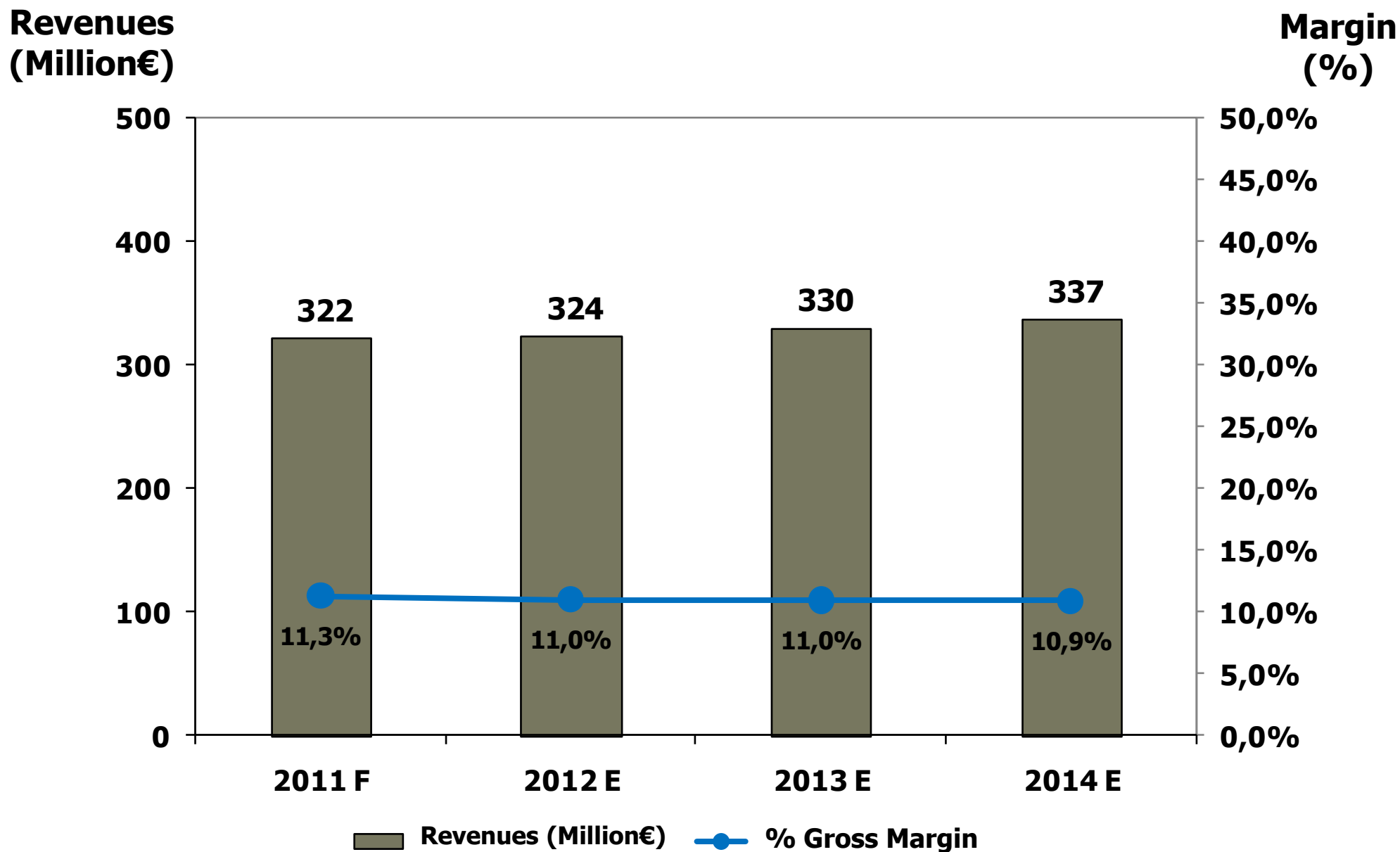
## *Main figures*

	2011	2012	2013	2014
<b>Revenues (Million €)</b>	<b>322,0</b>	<b>323,6</b>	<b>330,1</b>	<b>337,0</b>
<b>EBITDA (Million €)</b>	<b>1,1</b>	<b>5,7</b>	<b>8,2</b>	<b>8,9</b>
<b>Net Financial Position (Million €)</b>	<b>(36,9)</b>	<b>(36,4)</b>	<b>(34,9)</b>	<b>(32,7)</b>
<b>Operating Net Working Capital (Million €)</b>	<b>46,2</b>	<b>42,2</b>	<b>39,2</b>	<b>36,2</b>



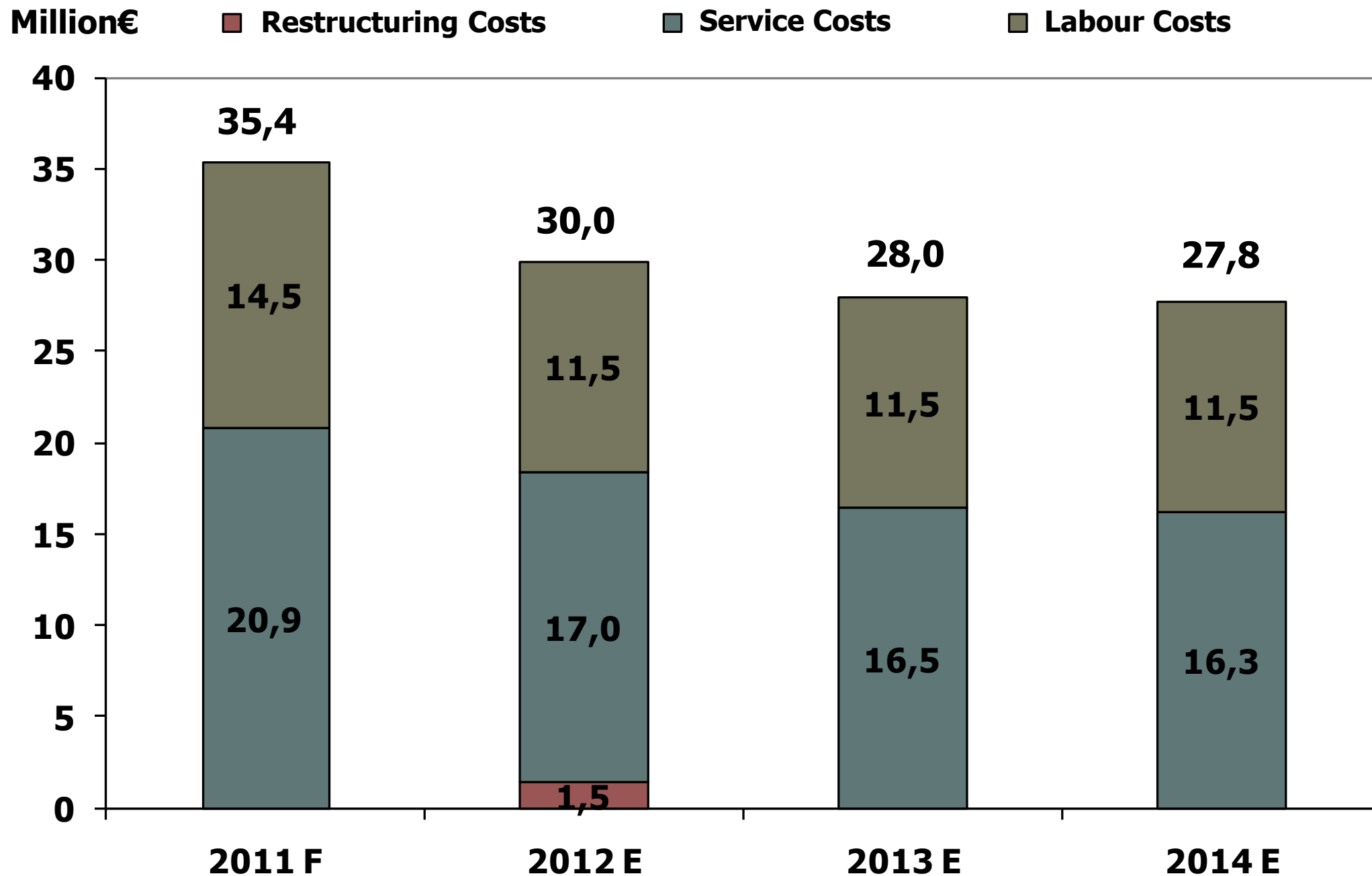
# Industrial Plan 2012-2014

*Growth in revenues and gross margin*

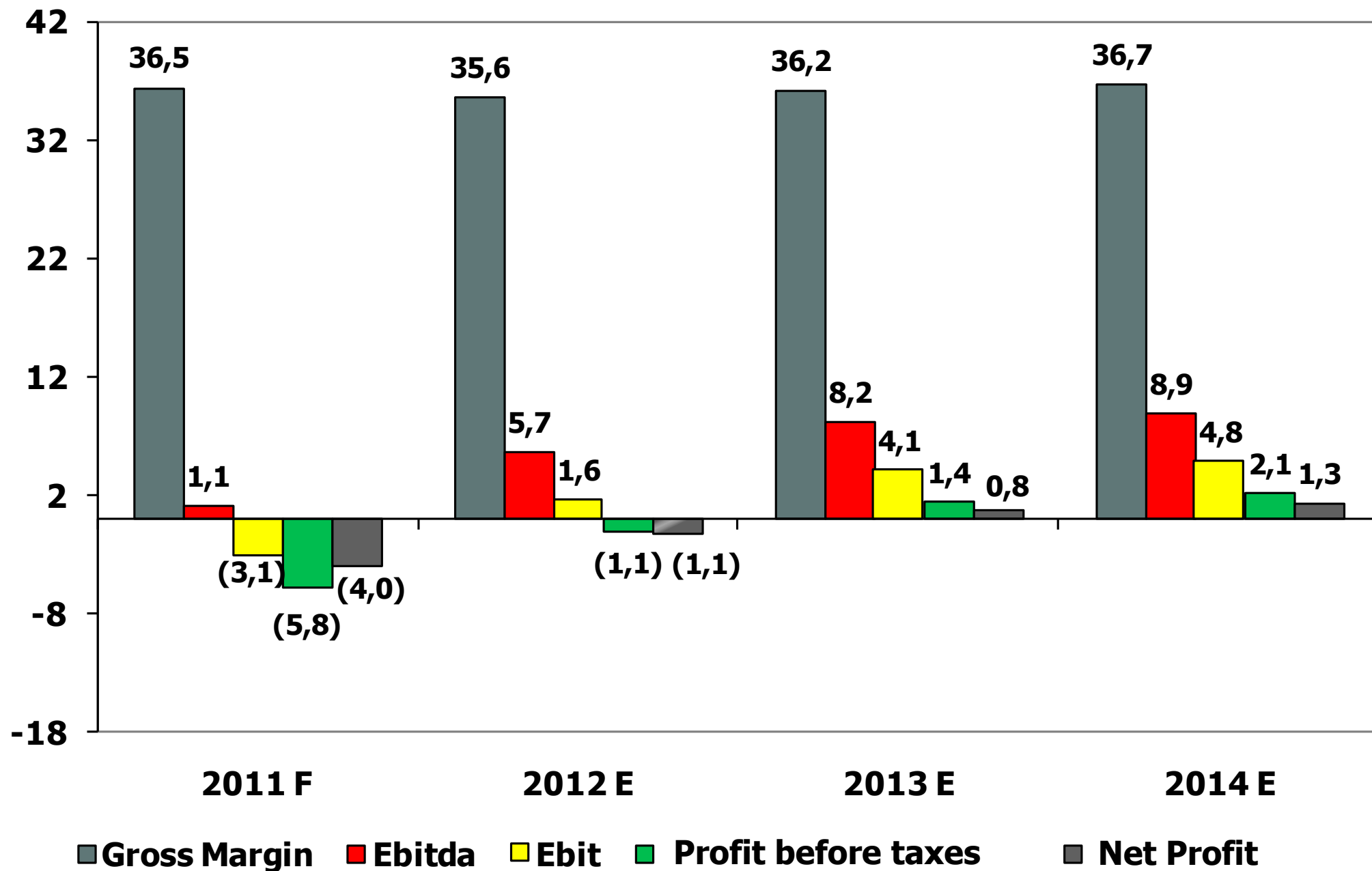


# Industrial Plan 2012-2014

## *Reduction in structure costs*



Million€



Million€

