

## / WESTCON-COMSTOR BREXIT FAQs

25<sup>th</sup> January 2019



## **/ Does your organisation have a contingency plan for a Brexit "no deal"?**

Yes. We have considered several areas that are likely to be impacted by a 'Brexit deal' or 'no deal'. Whilst there is still significant uncertainty in the outcome of the negotiations, the extensive geographic footprint of Westcon-Comstor in the EU including the presence of major logistics hubs in both the Netherlands and the UK puts us in a good position to deal with many potential outcomes.

## **/ How far advanced are W-C Brexit plans?**

We have done extensive planning however given the different potential scenarios we are yet to implement specific measures until more is known.

## **/ Warehousing - Is your stock delivered from a warehouse in the UK?**

We are able to fulfil stock from both the UK and the Netherlands

- if there was a change in the UK border custom arrangements?
- if there is a change in the customs tariffs between UK and the EU?
- does the supply rely on specific EU regulations in order for the services/goods to be delivered?

We believe we are very well placed (and in fact may even have an advantage) thanks to our two European warehouse locations in the UK and the Netherlands. As more becomes known and in the run up to the Brexit date we will be balancing stock between the two Warehouses and/or ensuring supply chains into both. We think the issue, if any, will be at the border between the UK and EU, at this point we expect direct shipments into each territory to still be possible albeit potentially delayed.

- delays in delivery of inventory?
- product availability?

When more becomes known we'll balance and /or pre-order in both locations to sensibly fulfil demand (at the very least in the short term).

## **/ If there is a change in the value of the sterling?**

- **FX volatility i.e. cost inflation; ability to pass through price rises, timing, etc**

We have a robust treasury function able to respond accordingly, manage and, where appropriate, hedge our exposures. We will have to move to re-pricing quotes for FX volatility as we do today in many emerging markets.

## **/ Any impacts on Employees, labour availability?**

Westcon is well positioned with approximately 600 staff in the UK and 900 staff in mainland Europe across all functions. We do have citizens of both working across territories but expect each group to be afforded reciprocal protection. Future movements may be impacted, and we'll have to deal with those as they arise.