

A graphic on the left side of the slide featuring a cluster of 3D cubes in various shades of blue and one prominent orange cube. A hand is visible at the bottom left, reaching up towards the cubes. The background is a dark blue gradient with a subtle network of white lines and dots.

# ASBIS<sup>®</sup>

*SUCCESS THROUGH FOCUS*

## Excellent Quarter And a Record Year

4Q '18 AND 12M '18 RESULTS

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# ASBIS ORIGIN

## 1990

Founded in Minsk,  
Belarus



## 1995

Moved HQ  
to Cyprus





# ASBIS DIRECTORS

Name	Position	Responsibility
Siarhei Kostevitch	Chairman, Chief Executive Officer	Strategic plans and policies
Marios Christou	Chief Financial Officer	Finance and Control
Constantinos Tziamalis	Chief Risk Officer and Investor Relations	Risk Management, Own brands, Management and Investor Relations
Yuri Ulasovich	Director, Chief Operating Officer	Sales and Supply Management
Demos Demou	Non-executive Director	Regulatory and financial advisory Audit Committee
Chris Pavlou	Non-Executive Director	Regulatory and financial advisory Remuneration Committee

# Local in 26 countries of EMEA

## CEE

Poland  
Czech Republic  
Slovakia  
Hungary  
Romania  
Bulgaria  
Serbia  
Bosnia  
Slovenia  
Croatia  
Cyprus

## BALTIC

Lithuania  
Latvija  
Estonia

## FSU

Belarus  
Russia  
Ukraine  
Kazakhstan  
Azerbaijan **since 2017**  
Georgia **since 2018**

## MIDDLE EAST

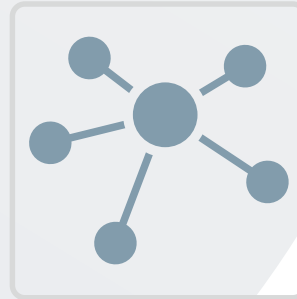
United Arab Emirates

## AFRICA

Morocco  
Algeria  
Tunis  
Egypt  
South Africa



Subsidiaries  
in **26**  
countries



30,000  
active customers  
in 60  
countries worldwide



**1401**  
Employees



Revenue:  
**2.1 Bn\$**  
2018



**2**  
Distribution  
centers



**21.000**  
products  
in portfolio



**20**  
b2b e-shops



over  
**190**  
vendors



**60%**  
transactions  
online



# ASBIS®

*SUCCESS THROUGH FOCUS*

## VISION:

Be the leading Value Add Distributor, OEM and Solutions Provider of IT, IoT, AI across CEE, FSU, MEA

## MISSION represented by focus areas:

- Develop and Market IT, IoT, AI solutions
- Gain expertise in consultative business
- Excel and leverage on Distribution
- Grow profitably Own Brands
- Manage risks and Zero regulatory issues



# ASBIS BUSINESS CONTRIBUTORS

## Distribution

Resellers

R/E tail

### OEM

consumer

commercial

### IT, IoT, AI solutions

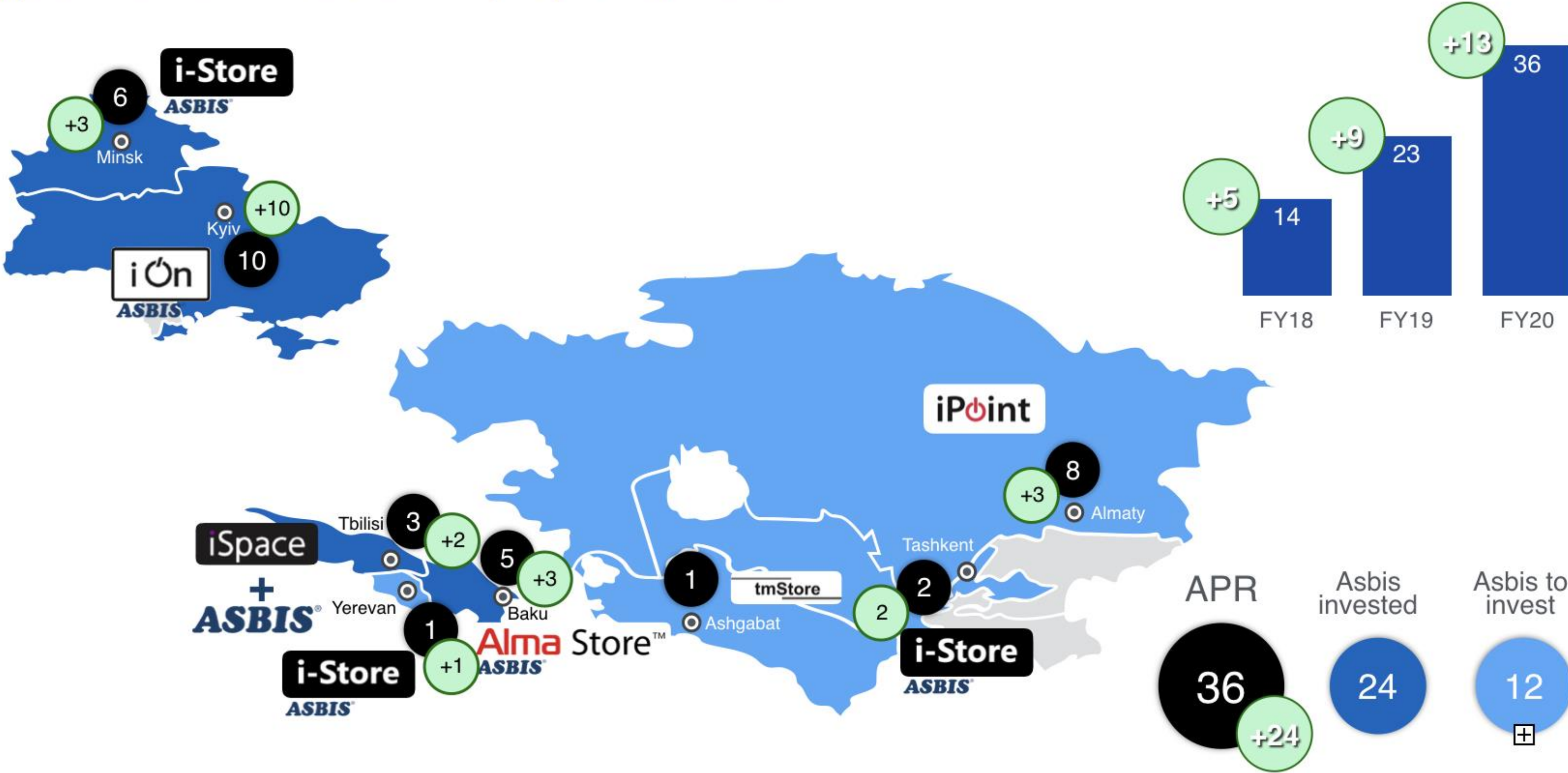
Sales projects

Professional services



# ASBIS APR Investment

## Apple Premium Reseller Map by Geo, 2020











# ASBIS<sup>®</sup>

*SUCCESS THROUGH FOCUS*



## Prestigio



atlantech



## pereniø

Intelligence at best



CANYON



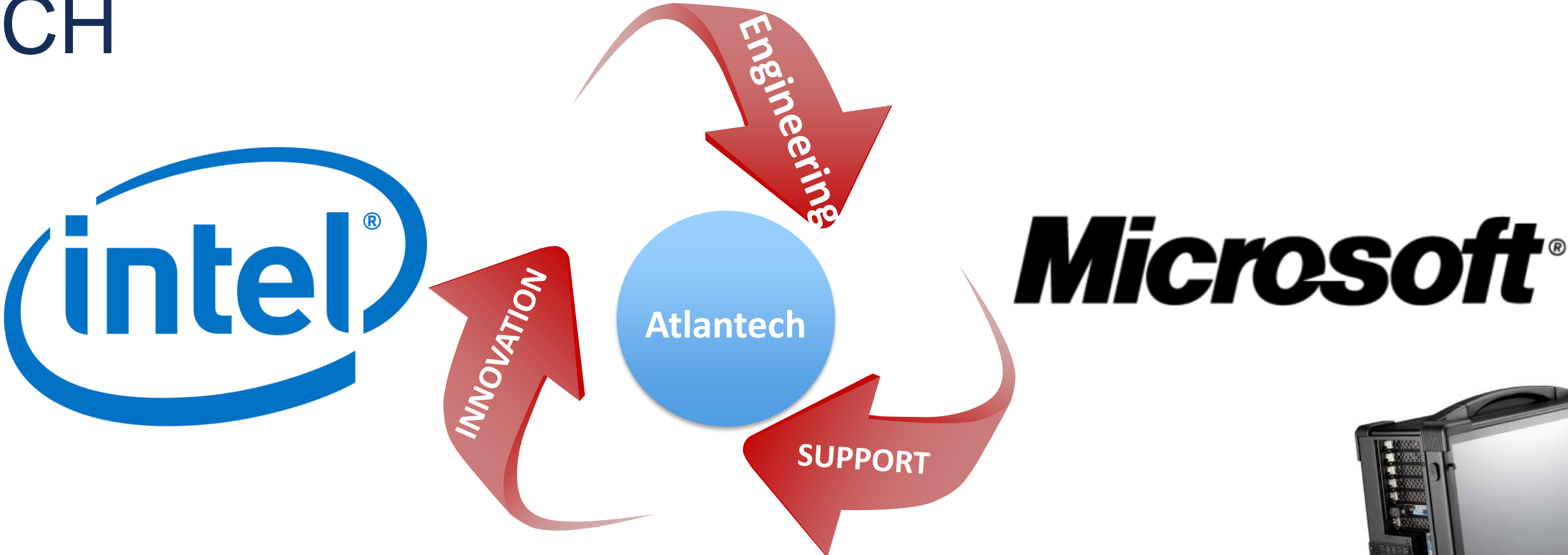


# atlantech

MISSION: BECOME A LEADING PAN-REGIONAL OEM IN SERVERS,  
DATA STORAGE, DATA CENTER SOLUTIONS AND PRO-SERVICES  
ACROSS CEE, FSU, MENA



# ATLANTECH



Smart video  
surveillance



Smart security



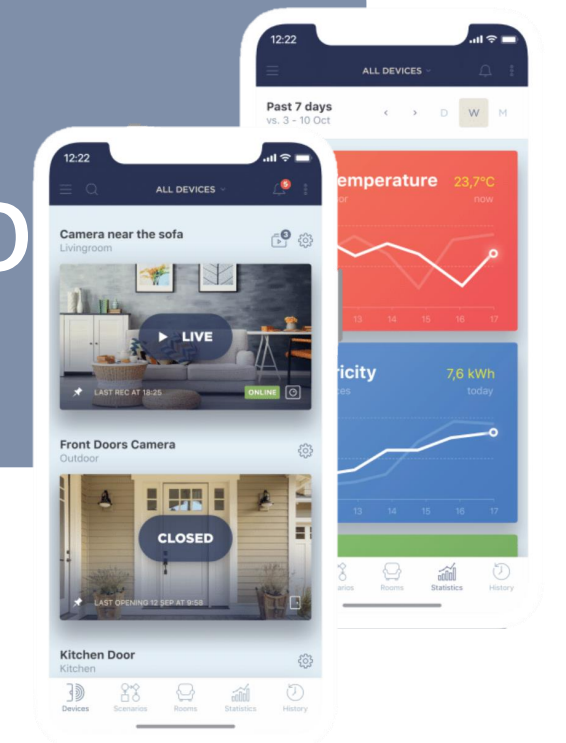
Smart energy saving



**Perenio  
IoT Platform**



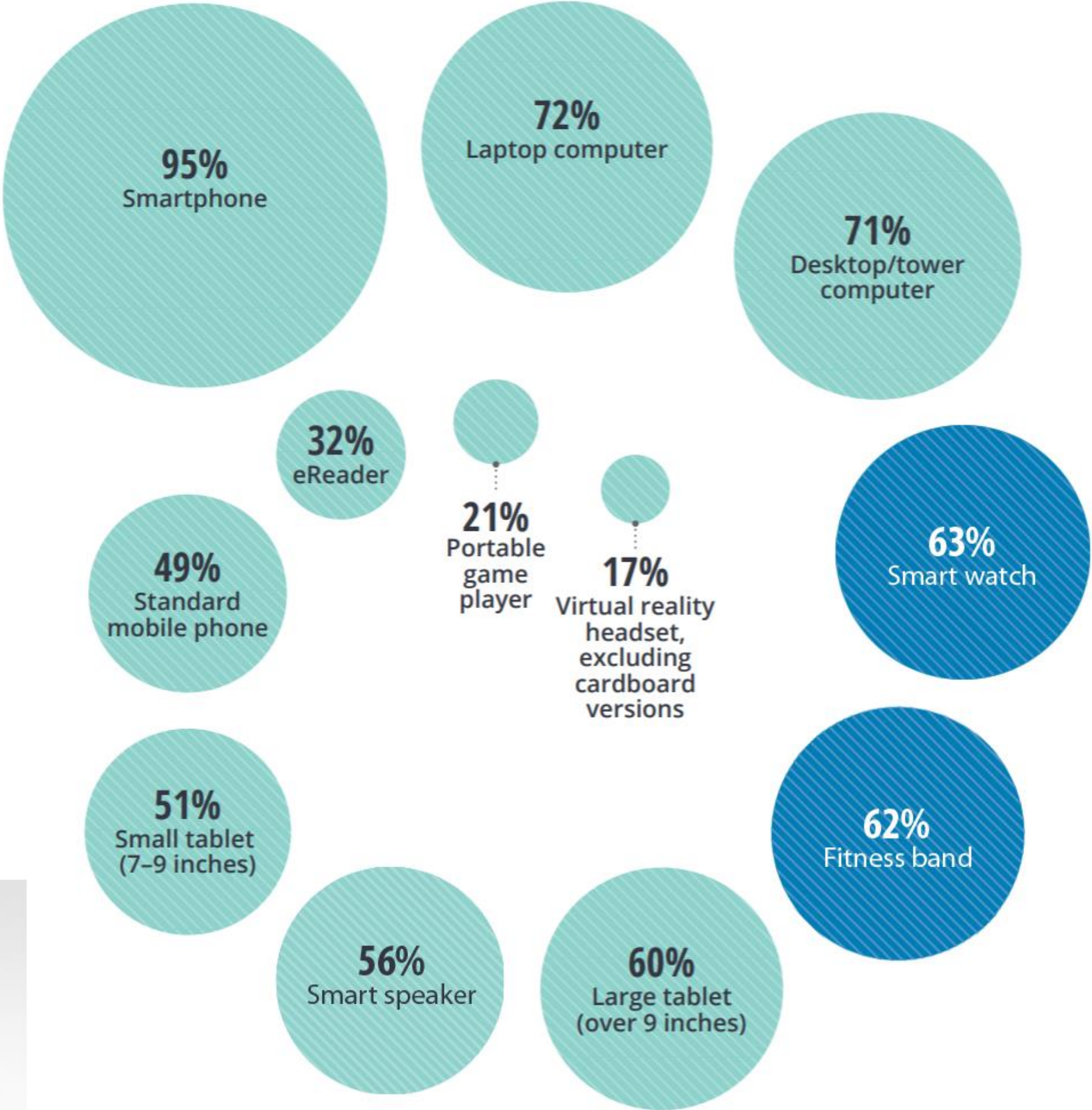
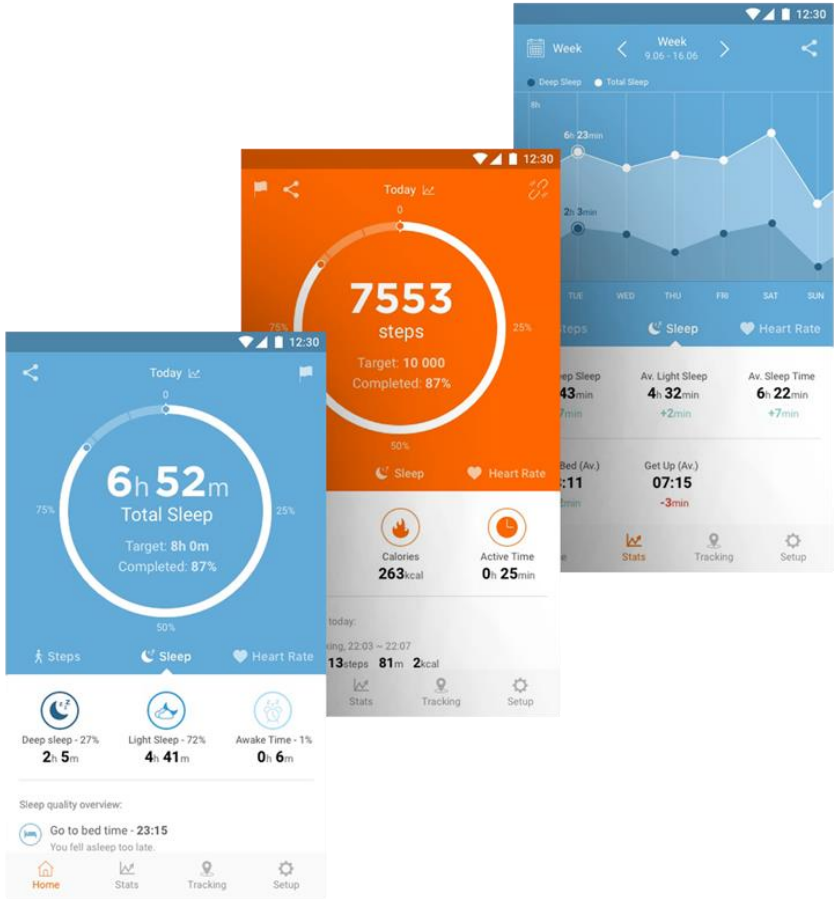
Smart control





# CANYON SMART WATCH

## DAILY USE





**ASBIS®**

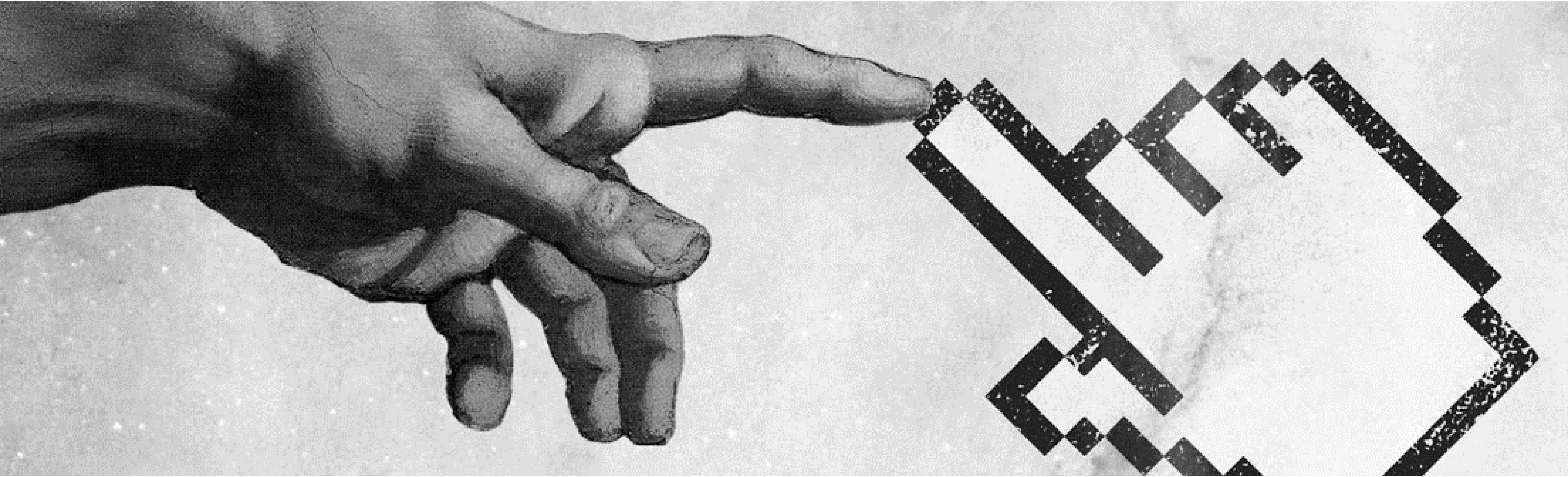
Prestigio

**TV, SMART TV**





# Prestigio



AIM: CREATE MOST USEFUL INPUT DEVICE

# TOUCH & CLICK

The merge of a keyboard and a touchpad

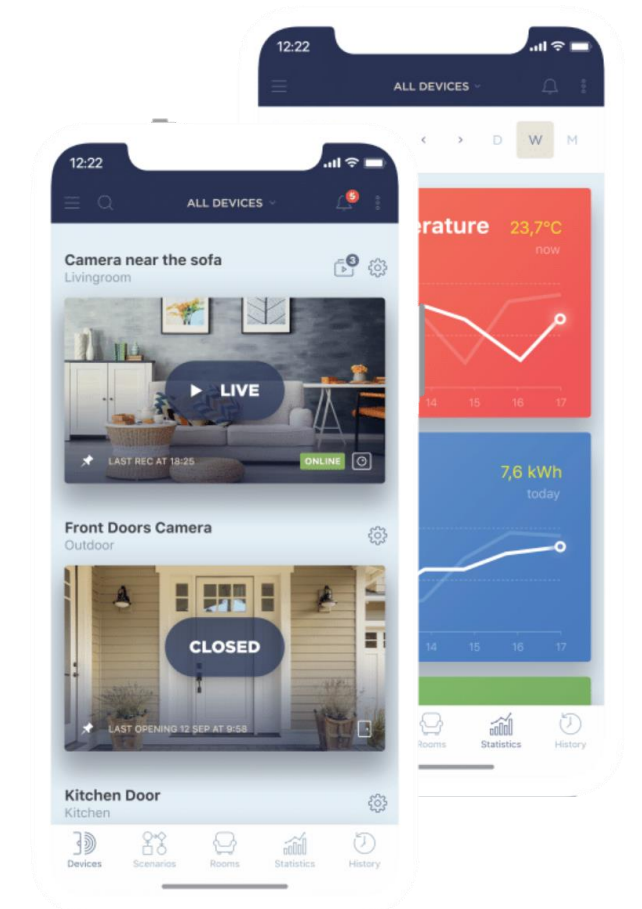


1. All buttons are pressable
2. Entire keyboard is a huge touchpad
3. Auto switch between KB and touch



# ENTERPRISE SOLUTIONS BY ASBIS FOR 2019

- Intelligent Digital Signage
- RFID based solutions
- e-Price labels
- Electronic Distribution Platform
- One stop shop for Data Centers
- Embedded, industrial CU
- Video Conferencing
- Video Surveillance
- IoT Platform
- Industrial IoT
- Industrial Automation
- IT Security & MDM
- Mobile payments
- Business Intelligence + AI
- Apple Enterprise solutions
- Infrastructure and IT VAD services



# FINANCIAL OVERVIEW

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4Q '18 and 12M '18 FINANCIAL  
RESULTS

FY 2019 OUTLOOK

SOME KEY RATIOS

GUIDANCE



# KEY 4Q '18 EVENTS

## STRONG MONTHLY DATA

Strong revenue estimates for October–December 2018 despite the serious deterioration of the market sentiment.

Solid growth of the revenues in Q4 2018 despite the high base in Q4 2017.

## GUIDANCE

Publication of upgraded FY 2018 guidance.

Delivered the upgraded FY 2018 guidance.

## DIVIDEND

Announcement of an interim dividend payment from 2018 earnings, as approved by BOD on 6th November 2018.

The interim dividend (US\$ 0.05 per share) was paid out on December 20<sup>th</sup> 2018.

# 4Q '18 ANOTHER STRONG QUARTER

- Growth in revenues despite the noticeable deterioration.
- Strong gross profit growth.
- The gross profit margin much improved as compared to the previous quarters of 2018.
- SG&A costs under control.
- 29% YoY growth in net income.

## REVENUES

US\$ 571.0 million

**+5.4% YoY**

## GROSS PROFIT

US\$ 29.3 million

**+11% YoY**

## GROSS PROFIT MARGIN

**5,14%**

## NET INCOME

US\$ 4.9 million

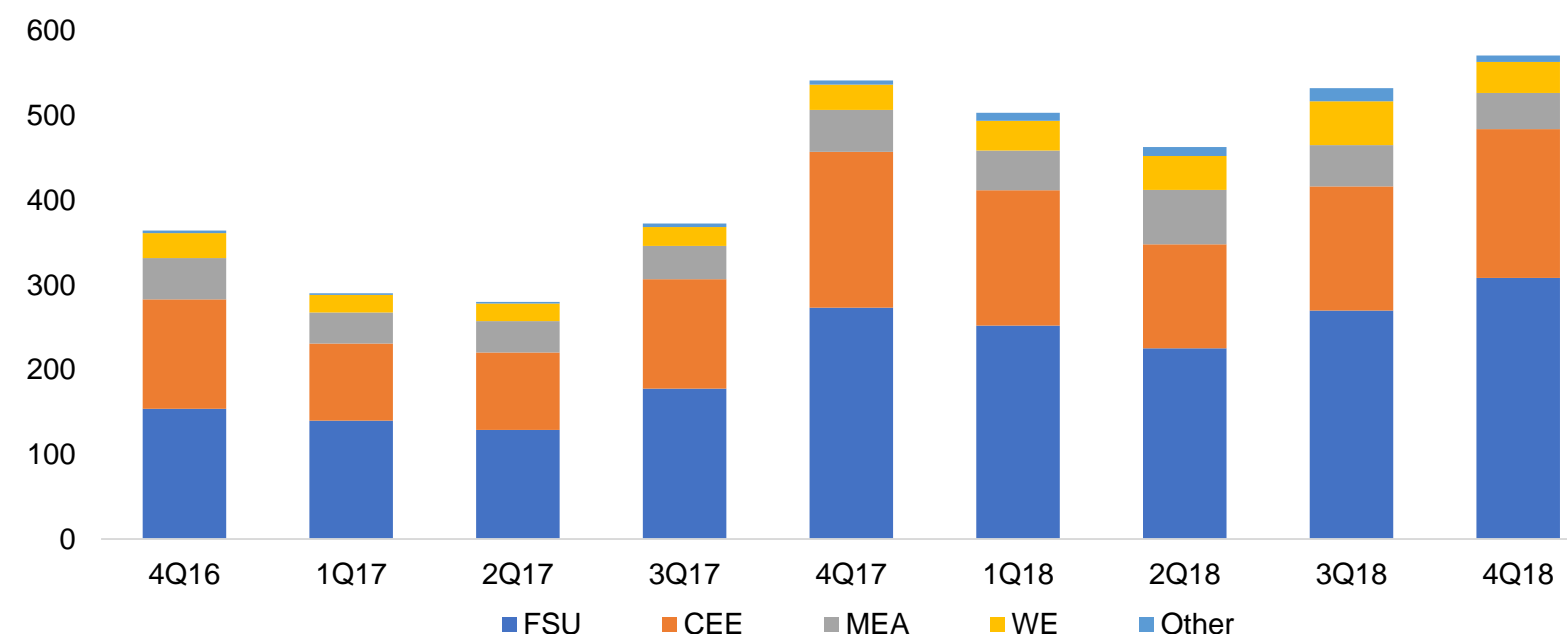
**+29% YoY**



# STRONG PRESENCE IN ALL MARKETS

- Strong YoY growth in Russia and Belarus in 4Q'18. Share of FSU region reached above 54% in 4Q'18 revenues.
- Russia remained the No. 1 country while Ukraine followed.
- WE reached + 23% YoY growth, mainly driven by broader market reach.
- MEA revenues determined by sales in the UAE.

REVENUES BY REGIONS (US\$ m)



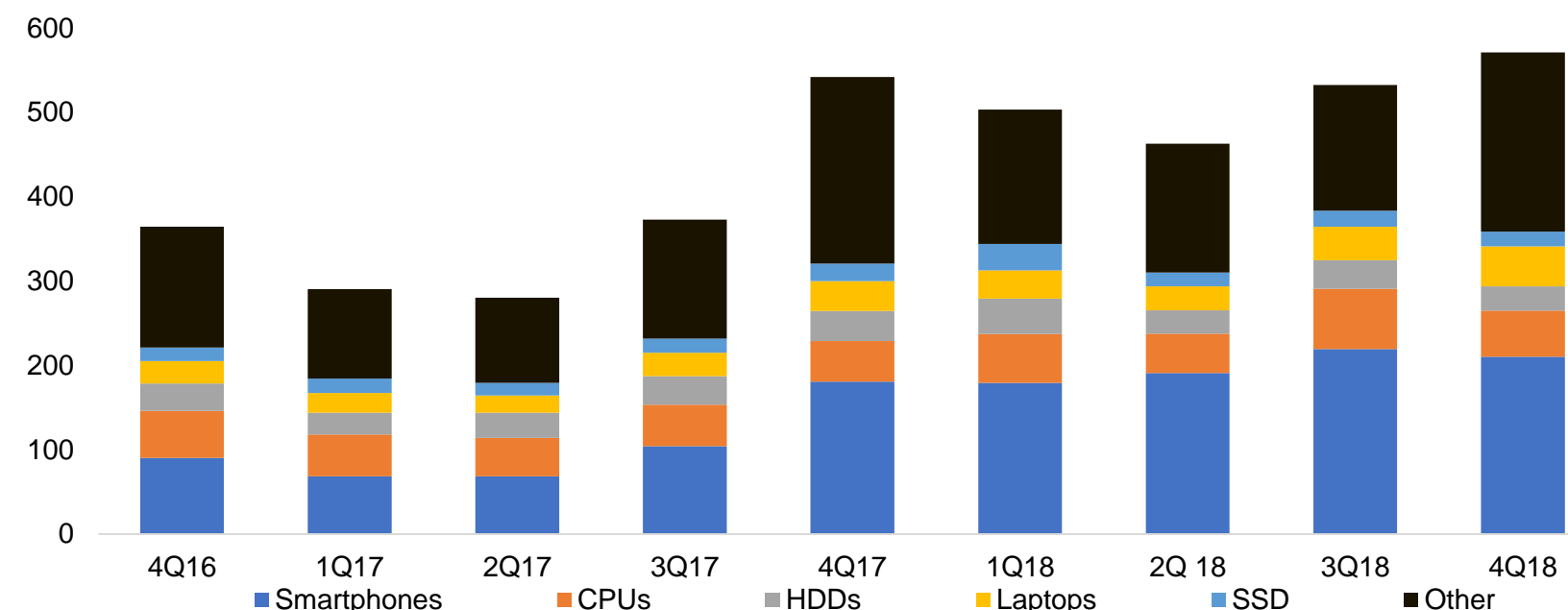
REVENUES BY REGIONS (US\$ m)

US\$ m	4Q'18	4Q'17	YoY
FSU	308.6	273.1	13%
CEE	175.5	184.1	-5%
MEA	42.9	49.8	-14%
WE	36.4	29.6	23%
Other	7.6	5.2	45%
<b>TOTAL</b>	<b>571.0</b>	<b>541.8</b>	<b>5%</b>

# BROAD PRODUCT MIX REVENUE

- Strong smartphones business driven by iPhone sales.
- Significant market share in both CPUs and Accessories & Multimedia
- Growth in CPUs due to data center projects.
- An increase in sales of accessories based on master distribution in the EMEA region.
- Laptops growth driven by demand for mobility.

REVENUES BY LINES (US\$ m)



REVENUES BY LINES (US\$ m)

US\$ m	4Q'18	4Q'17	YoY
Smartphones	210.0	180.6	16%
CPUs	54.9	48.2	14%
Accessories & Multimedia	49.8	32.3	54%
Laptops	47.3	35.4	34%
Servers and server blocks	29.0	30.4	-4%
HDDs	28.8	35.7	-19%
<b>TOTAL</b>	<b>571.0</b>	<b>541.8</b>	<b>5%</b>



# ROBUST 4Q '18 RESULTS

- Good growth in top-line and gross profit.
- Gross profit margin at 5,14%. The highest in 2018.
- Expenses under control despite growth in gross and net profitability.
- 29% growth of net income.

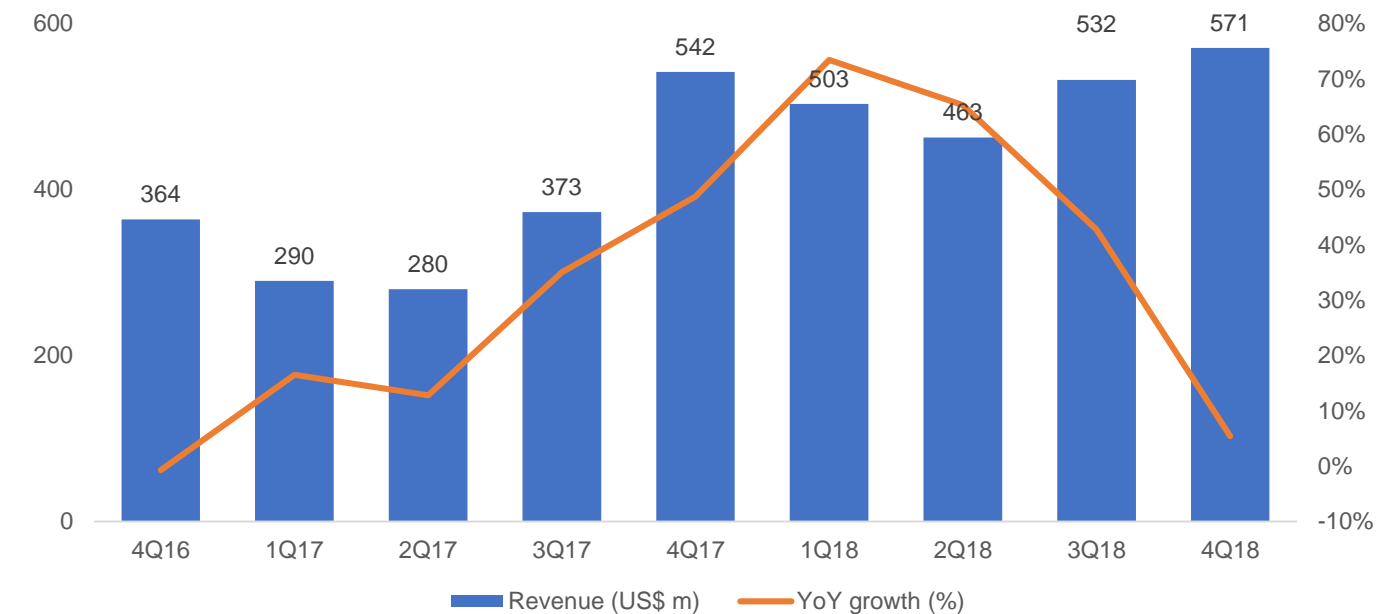
US\$ m	4Q'18	4Q'17	YoY
<b>Revenue</b>	<b>571.0</b>	<b>541.8</b>	<b>5%</b>
Gross profit	29.3	26.5	11%
<i>Gross profit margin</i>	<i>5.14%</i>	<i>4.89%</i>	<i>0,3pp</i>
SG&A costs	17.4	16.6	5%
<b>Profit from operations</b>	<b>11.9</b>	<b>9.9</b>	<b>20%</b>
<i>Operating margin</i>	<i>2.08%</i>	<i>1.83%</i>	<i>0,3pp</i>
Financial income	1.4	0,8	64%
Financial expenses	7.0	5.4	31%
<b>Profit before tax</b>	<b>6.0</b>	<b>5.1</b>	<b>19%</b>
Tax	1.1	1.3	-13%
<b>Profit for the period</b>	<b>4.9</b>	<b>3.8</b>	<b>29%</b>
<i>Net margin</i>	<i>0.86%</i>	<i>0,70%</i>	<i>0,2pp</i>

ROBUST GROWTH OF NET INCOME IN  
4Q'18.

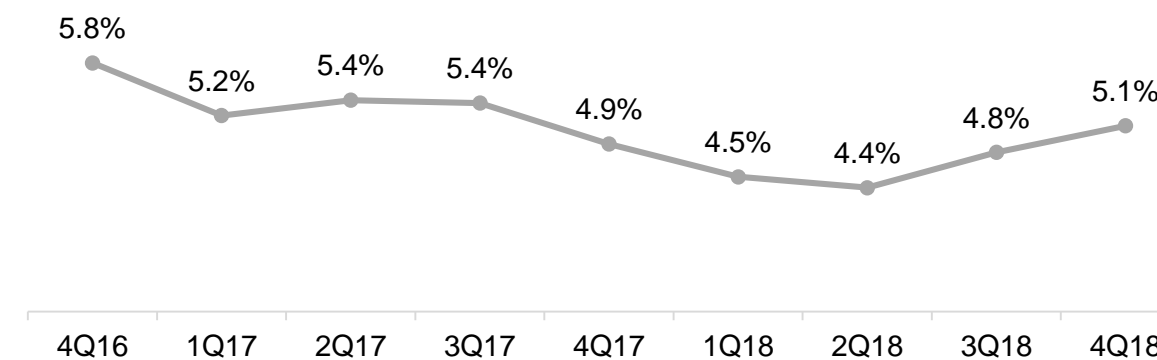
# REVENUE GROWTH CONTINUED

- 4Q'18 revenues reached US\$ 571 m, up 5.4% YoY.
- 4Q'18 revenues were related to a high 4Q'17 base.
- Gross profit margin reached 5.1% in 4Q'18 versus 4.9% 4Q'17.
- In Q4'18 gross profit margin improved much compared to the previous quarters of 2018.

## REVENUES



## GROSS PROFIT MARGIN (%)

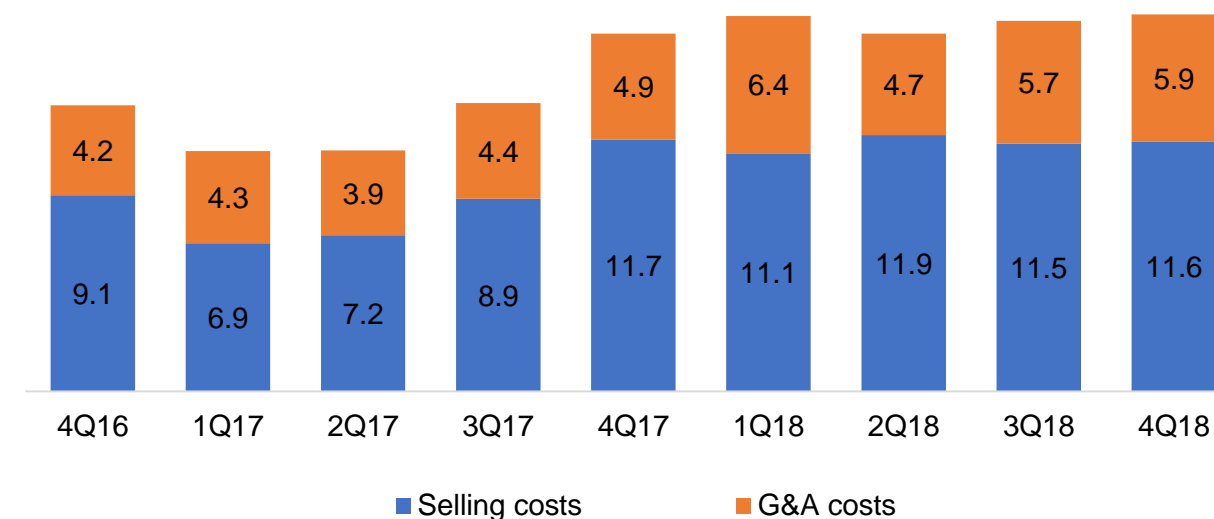




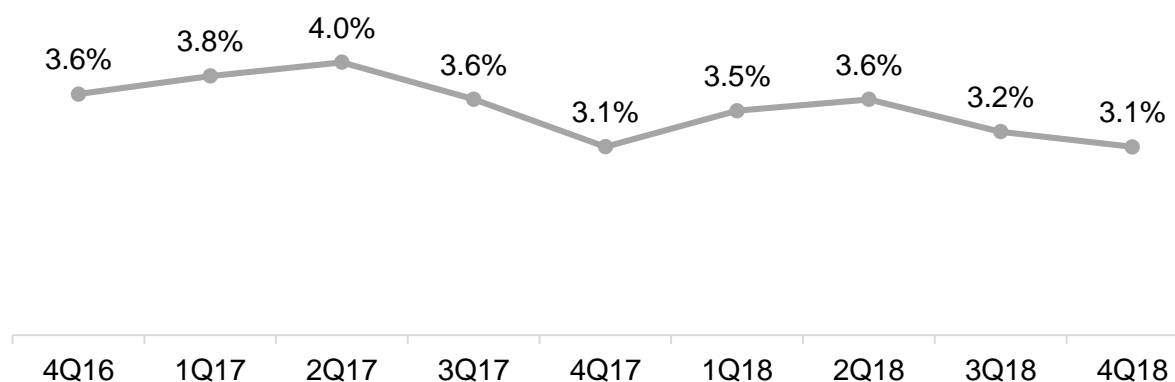
# SG&A COSTS GROW BELOW SALES

- Selling expenses decreased in 4Q '18 by 1% YoY.
- Administration expenses grew in 4Q '18 by 19% YoY mainly to support growing operations in all regions.
- SG&A expenses continued to decrease YoY as a percentage of sales.

## SG&A COSTS (US\$ m)



## SG&A as % SALES



# RECORD YEAR- 12M '18 RESULTS

- Strong top-line and gross profit growth.
- Gross profit margin at 4.7%.
- Expenses under control despite fast growth.
- Early payment discounts positively impacted financial income.
- Net Income exceeded our estimates and reached the upgraded forecast.

US\$ m	12M'18	12M'17	YoY
<b>Revenue</b>	<b>2,069.6</b>	<b>1,484.9</b>	<b>39%</b>
Gross profit	98.1	76.7	28%
<i>Gross profit margin</i>	<i>4.74%</i>	<i>5.17%</i>	<i>-0.4pp</i>
SG&A costs	68.7	52.3	31%
<b>Profit from operations</b>	<b>29.4</b>	<b>24.4</b>	<b>21%</b>
<i>Operating margin</i>	<i>1.42%</i>	<i>1.64%</i>	<i>-0.2pp</i>
Financial income	4.5	1.6	179%
Financial expenses	18.6	16.0	16%
<b>Profit before tax</b>	<b>15.1</b>	<b>9.0</b>	<b>68%</b>
Tax	3.1	2.1	47%
<b>Profit for the period</b>	<b>12.0</b>	<b>6.9</b>	<b>74%</b>
<i>Net margin</i>	<i>0.58%</i>	<i>0.47%</i>	<i>0.1pp</i>

**74% GROWTH OF NET INCOME  
FOR 12M'18.**



# INDEBTEDNESS AT SAFE LEVEL

- Solid increase in cash position in seasonally NWC intensive quarter.
- High cash levels, despite cash being used to benefit from early payment discounts from suppliers, due to the use of short-term financing and improved operational efficiency.
- The weighted average cost of debt decreased to 8.4% during 12M'18, versus 9.3% in 2017.
- Ability of the Company to access financing remains very strong.

US\$ m	12M'18	12M'17	YoY
Short term borrowings (no factoring)	69.3	70.7	-2%
Factoring creditors	47.1	65.8	-28%
<b>Short term borrowings (incl. factoring)</b>	<b>116.4</b>	<b>136.5</b>	<b>-15%</b>
Long term interest bearing debt	0.0	0.2	-100%
Cash and equivalents	101.4	93.4	9%
<b>Net debt (no factoring)</b>	<b>-32.1</b>	<b>-22.6</b>	
<b>Net debt (incl. factoring)</b>	<b>15.0</b>	<b>43.3</b>	<b>-65%</b>

12M 2018 net debt/ equity

**-0.3x** excl. factoring

**0.2x** incl. factoring

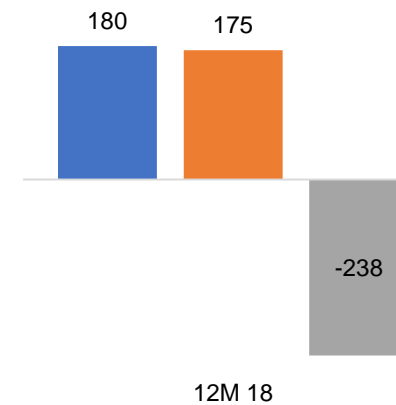
safe and low levels

# POSITIVE CASH FLOW FROM OPERATIONS

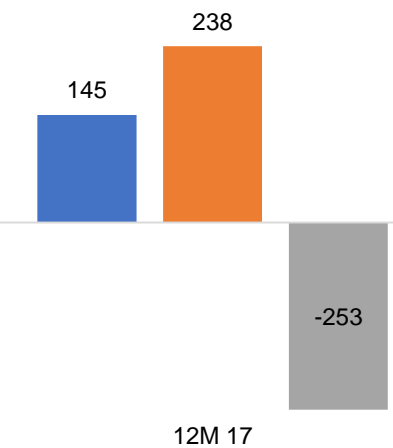
- High revenue growth resulted in the need to involve more cash into working capital.
- Capex comprises of outflows for on-going investments in fixed assets, intangibles and in associates.
- Group turned positive cash from operations for FY 2018, despite strong revenue growth, the related increased demand for working capital, payout dividend and the interim dividend.

## NET WORKING CAPITAL (US\$ m)

NWC: 6% of sales



NWC: 9% of sales



■ Inventories ■ Trade receivables ■ Trade payables

US\$ m	12M'18	12M'17
Net cash from operating activities	18.7	42.1
Net cash from investing activities	-3.1	-2.2
Net cash from financing activities	-3.4	-0.5
<b>Net movement in cash and cash equivalents</b>	<b>12.2</b>	<b>39.4</b>



# KEY DRIVERS OF 2019

## SUSTAIN THE BUSINESS WITH APPLE

Following a year of high growth with APPLE the group is looking to retain its high market position and strengthen its relationships with customers and the supplier.

## TRUE VAD SALES

The group will focus on the acquisition and servicing of large business projects. The success of last year with Data Centers and other projects, will be replicated but also to the real VAD services.

## BUSINESS SOLUTIONS

The solutions that we managed to develop already show the signs of success and the group is expecting to benefit significantly from the expansion of these solutions to all markets we operate.

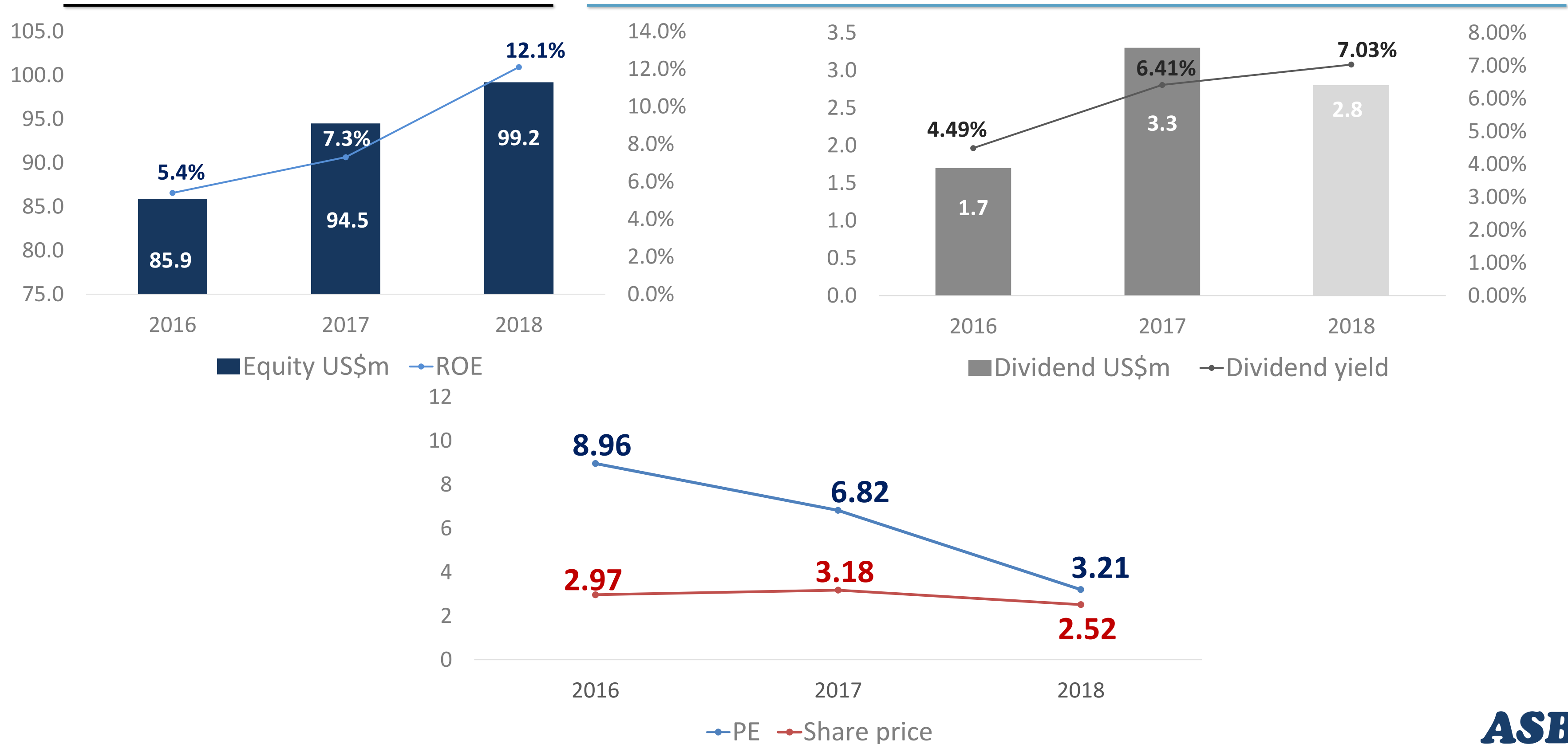
## TRADITIONAL DISTRIBUTION

Our core strengths are expected to play a leading role in 2019 and we expect to excel against competition in all product segments of the traditional components distribution.

## OWN BRANDS

Having developed the two new own brands (PERENIO and ATLANTECH) and together with Canyon and Prestigio, the group expects significant contribution towards its profitability by adding our product portfolio to the channels we operate with.

# SOME KEY RATIOS





# 2018 UPRADED GUIDANCE

REVENUE

Between US\$ 2.1bn and US\$ 2.2bn

NET INCOME

Between US\$ 11.5m and US\$ 13m

ASSUMPTIONS

Growth in gross profit margin and positive operating cash flow.

A stable situation in key FSU markets and in key FSU currencies (not worse than in H2 2017).  
A similar YoY competitive environment and favourable relations with key suppliers.

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# ASBIS®

*SUCCESS THROUGH FOCUS*

# THANK YOU

HEADQUARTERS

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