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**ASBIS®**

**SUCCESS THROUGH FOCUS**




# Q3 2023 Presentation

**CONSTANT GROWTH, NEW IDEAS  
NEW CHALLENGES, NEW RECORDS**

9 NOVEMBER 2023

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- 
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# Agenda



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# Key corporate events



## Dividend payment

Payment of a final dividend from 2022 earnings (US\$ 0.25/share).

July 2023

## Entry to TK MAXX stores

Expansion into TK MAXX retail stores as a new source of growth.

August 2023

## New products and solutions in our offering

New products and solutions in ASBIS offering from the robotics division.

September 2023

# Continued revenue growth



+10%

YoY revenue growth in July 2023.

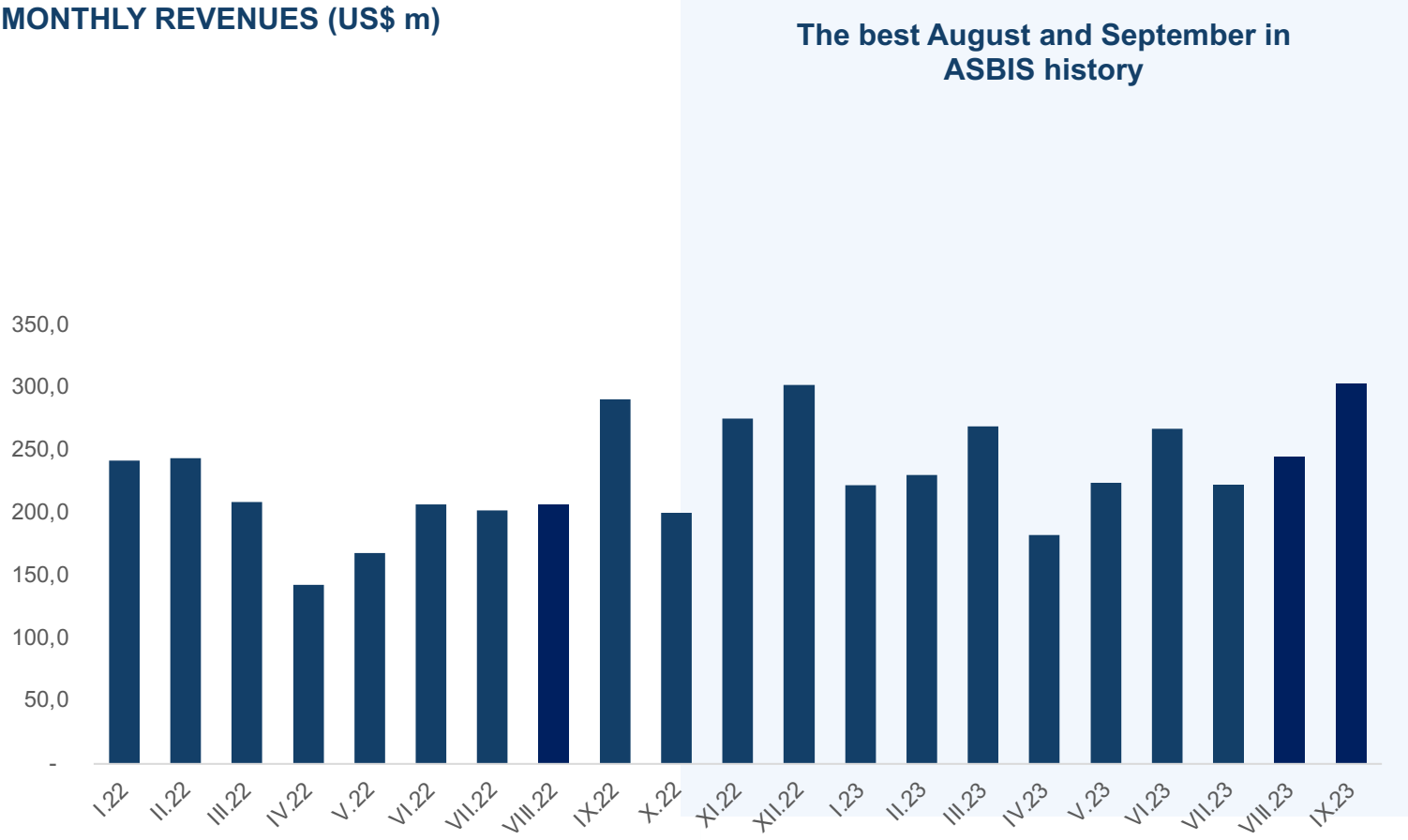
+18%

YoY sales growth in August 2023 – successful development on new markets.

+4%

YoY sales growth in September 2023 – we outperformed last year’s best ever September.

MONTHLY REVENUES (US\$ m)







## Diversified EMEA operations

**Prague, Czech Republic  
(Distribution Centre)**

**Limassol, Cyprus  
(Headquarters)**

**Tbilisi, Georgia  
(Distribution Centre)**

**Dubai, UAE  
(Distribution Centre)**

**Shenzhen, China  
(Office)**

**Johannesburg, South  
Africa (Distribution  
Centre)**



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## Financial Highlights



**+11% YoY**

\$772 M

REVENUES

**+10% YoY**

\$61.7 M

GROSS PROFIT

**Superb  
quarter**

**> Q3 2023**

**7.99%**

GROSS PROFIT  
MARGIN

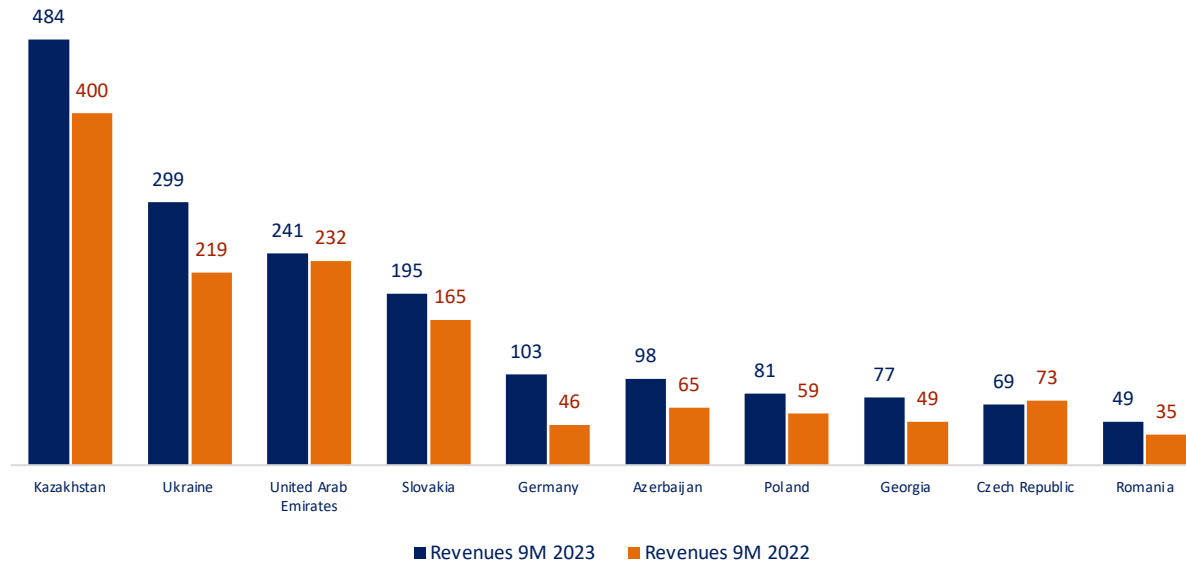
**+11%YoY**

\$22.2 M

NET INCOME



### KEY COUNTRIES' REVENUES (US\$ m)



# Strong everywhere

## 9M 2023 VS 9M 2022



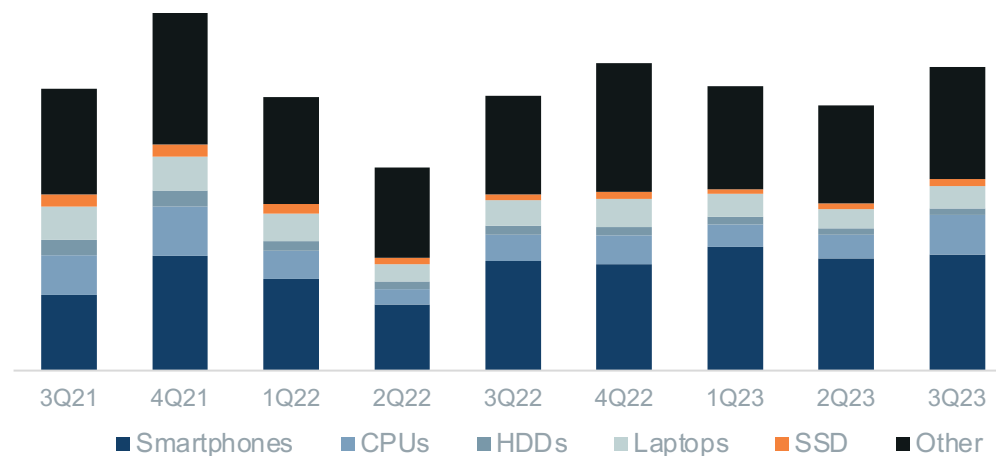
Kazakhstan with revenues of USD 484m and 21% YoY growth remained no. 1 country.

Ukraine the second biggest market of our operations despite the ongoing war, significantly increased by 37% in 9M 2023.

UAE and the GCC region stable giving the Group a competitive edge.

Poland with a robust growth establishes itself where it deserves.

REVENUES BY PRODUCT LINES (US\$ m)

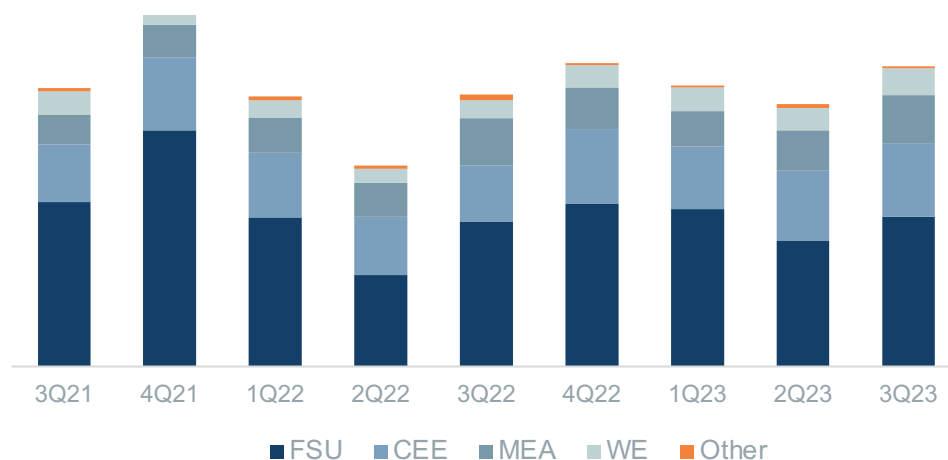


US\$ m	Q3'23	Q3'22	YoY
Smartphones	295.0	277.6	6%
CPUs	100.0	66.7	50%
Laptops	56.4	65.8	-14%
Servers & server blocks	41.7	24.7	69%
Audio devices	28.6	25.1	14%
<b>TOTAL</b>	<b>771.8</b>	<b>698.7</b>	<b>11%</b>

## Q3 2023 high demand for multiple product lines

- Strong smartphones business driven by continuous high demand for different iPhone models.
- Smartphones, CPUs and laptops remain the main drivers for the Group's revenues.
- Solid growth in audio devices following the very successful Bang&Olufsen development.

REVENUES BY REGIONS (US\$ m)



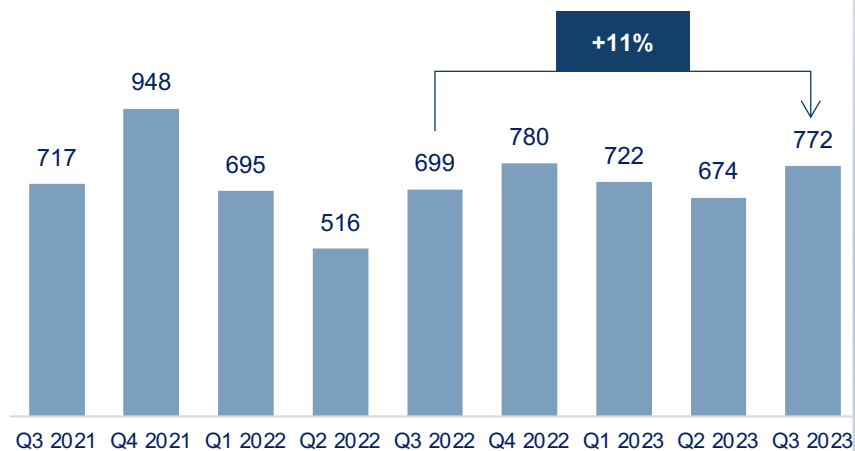
US\$ m	Q3'23	Q3'22	YoY
Former Soviet Union	385.2	371.2	4%
Central and Eastern Europe	189.0	145.0	30%
Middle East and Africa	123.6	121.8	2%
Western Europe	69.3	46.3	50%
Other	4.8	14.4	-67%
<b>TOTAL</b>	<b>771.8</b>	<b>698.7</b>	<b>11%</b>

## Q3 2023 dynamic growth in Central and Eastern Europe and Western Europe regions

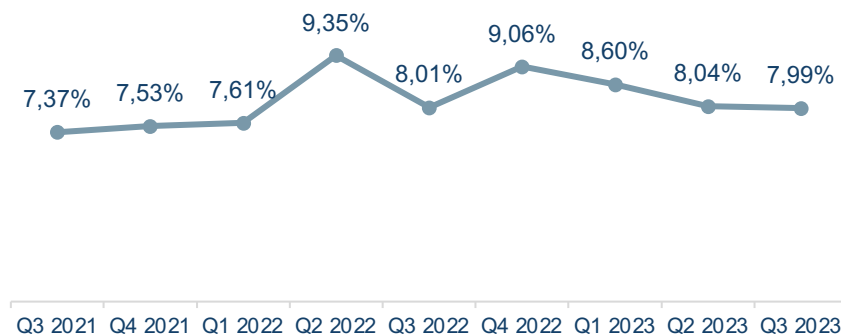
- F.S.U. and CEE regions contributed the majority of the Group's revenues.
- CEE region reached + 30% YoY growth, mainly driven by Slovakia.
- Powerful 50% growth achieved in Western Europe, mainly supported by Germany and Netherlands.
- MEA revenues grow steadily mainly in the GCC.

# High gross profit margin

REVENUES (US\$ M)



GROSS PROFIT MARGIN (%)



## Revenues growth:



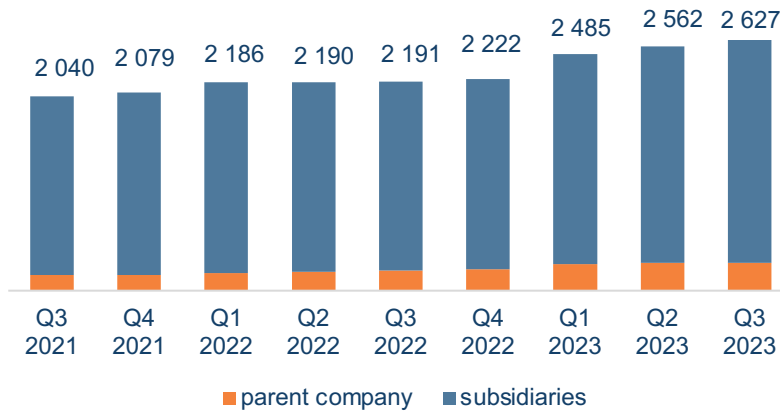
- Revenues up 11% YoY despite unfavorable market conditions.
- The highest ever revenues for the third quarter.

- Gross profit margin stabilized at a very high level of 7.99% in Q3'23.

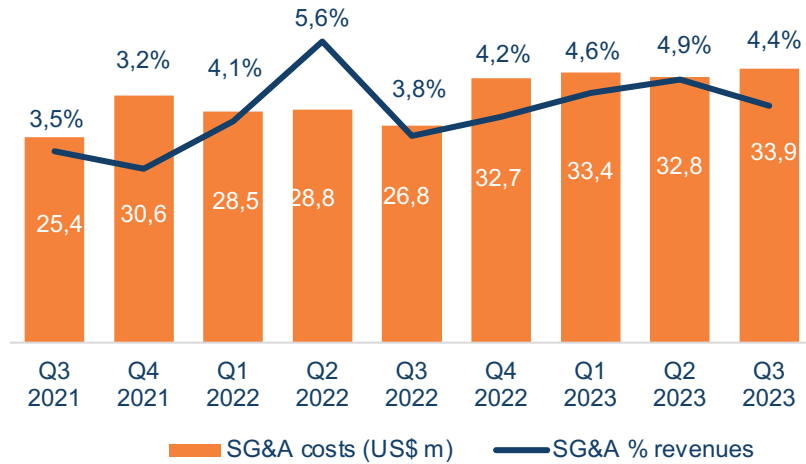


# SG&A costs under control

## NUMBER OF EMPLOYEES



## SG&A COSTS



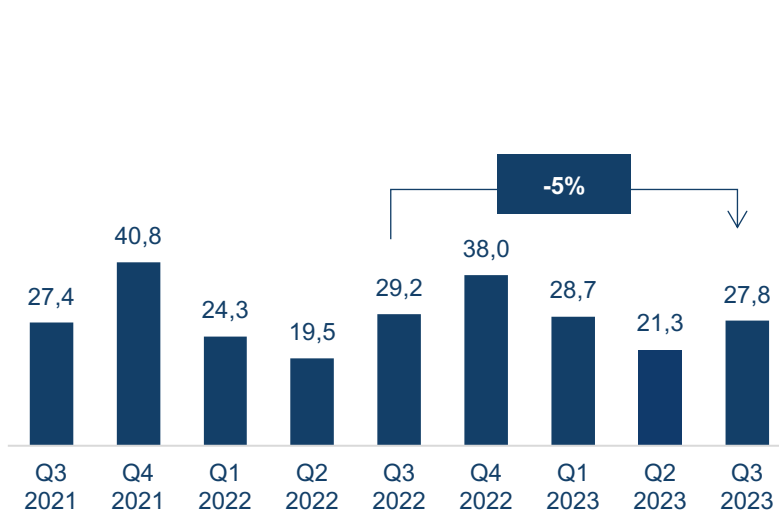
Headcount growth impacted SG&A costs, given the expansion and additional Business Units.

SG&A costs as a percentage of revenues is expected to be lower in the following months.

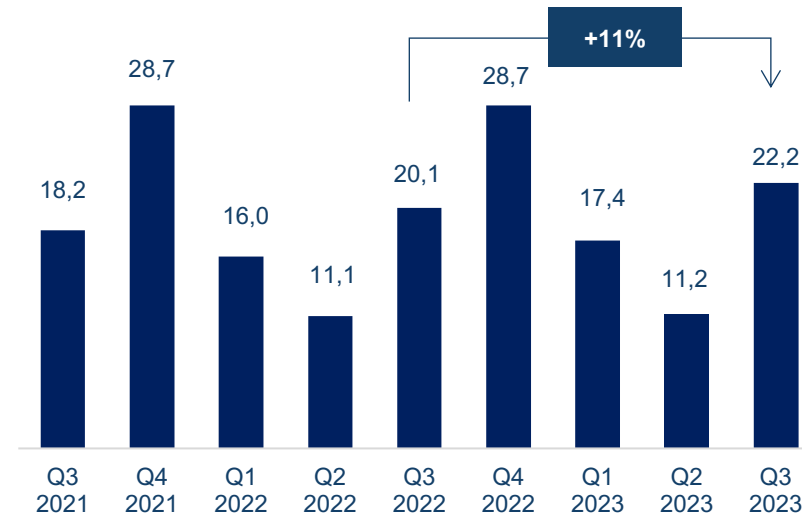


# The most profitable third quarter ever

EBIT (US\$ M)



NET INCOME (US\$ M)



- EBIT of USD 27.8M in Q3 2023.

- The highest net profit for this quarter in ASBIS history.

# Strong Q3 and 9M 2023

**Solid growth on top line and gross profit both in Q3 and 9M 2023**



US\$ m	Q3'23	Q3'22	YoY
<b>Revenue</b>	<b>771.8</b>	<b>698.7</b>	<b>11%</b>
Gross profit	61.7	56.0	10%
<i>Gross profit margin</i>	<i>7.99%</i>	<i>8.01%</i>	<i>-0.02 ppt</i>
SG&A costs	33.9	26.8	26%
<b>Profit from operations</b>	<b>27.8</b>	<b>29.2</b>	<b>-5%</b>
<i>Operating margin</i>	<i>3.60%</i>	<i>4.18%</i>	<i>-0.58 ppt</i>
Financial income	0.5	1.3	-62%
Financial expenses	-8.6	-6.3	38%
<b>Profit before tax</b>	<b>26.2</b>	<b>24.6</b>	<b>6%</b>
Tax	-3.9	-4.5	-13%
<b>Profit for the period</b>	<b>22.2</b>	<b>20.1</b>	<b>11%</b>
<i>Net margin</i>	<i>2.88%</i>	<i>2.88%</i>	<i>-</i>

US\$ m	9M'23	9M'22	YoY
<b>Revenue</b>	<b>2,167.9</b>	<b>1,909.7</b>	<b>14%</b>
Gross profit	177.9	157.1	13%
<i>Gross profit margin</i>	<i>8.21%</i>	<i>8.23%</i>	<i>-0.02 ppt</i>
SG&A costs	100.1	84.1	19%
<b>Profit from operations</b>	<b>77.8</b>	<b>73.0</b>	<b>7%</b>
<i>Operating margin</i>	<i>3.59%</i>	<i>3.82%</i>	<i>-0.23 ppt</i>
Financial income	1.8	2.8	-35%
Financial expenses	-26.1	-18.6	40%
<b>Profit before tax</b>	<b>60.6</b>	<b>57.8</b>	<b>5%</b>
Tax	-9.7	-10.6	-8%
<b>Profit for the period</b>	<b>50.9</b>	<b>47.2</b>	<b>8%</b>
<i>Net margin</i>	<i>2.35%</i>	<i>2.47%</i>	<i>-0.12ppt</i>

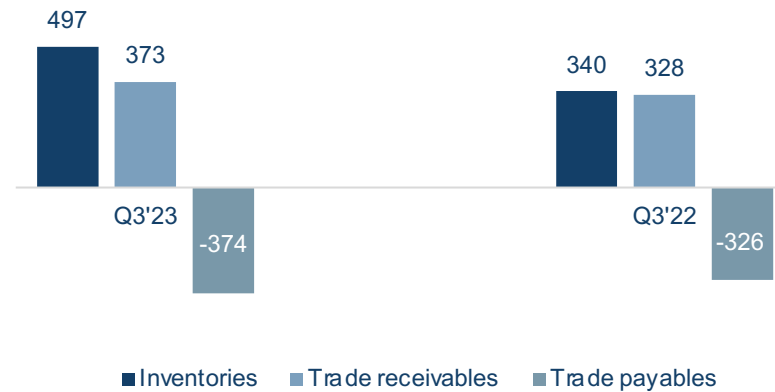
**Higher NPAT despite much higher year-over-year net financial costs**



## NET WORKING CAPITAL (US\$ m)

NWC: 23% of sales

NWC: 18% of sales



US\$ m	9M 2023	9M 2022
Net cash from operating activities	-37.3	-25.4
Net cash from investing activities	-4.0	-7.2
Net cash from financing activities	-23.3	-8.9
<b>Net movement in cash and cash equivalents</b>	<b>-64.6</b>	<b>-41.5</b>

## Cash engaged in working capital

- A positive “cash from operating activities” in Q3’23.
- Improved utilization of financial facilities.
- Net CAPEX under control.
- Aiming to positive “cash from operating activities” for the FY2023.



## Indebtedness at safe level

US\$ m	9M'23	9M'22	YoY
Short term borrowings (excl. leases and factoring)	137.7	117.6	17%
Long term borrowings (excl. leases)	0.5	0.3	48%
Other long-term liabilities	1.0	0.8	15%
Cash and cash equivalents	74.4	157.3	-53%
Factoring creditors	56.4	61.0	-8%
<b>Net debt (no factoring)</b>	<b>64.7</b>	<b>-38.6</b>	<b>-</b>
<b>Net debt (incl. factoring)</b>	<b>121.1</b>	<b>22.5</b>	<b>439%</b>

Ability of the Company to access external financing remains very strong.

The weighted average cost of debt climbed to 12% in Q3 2023, due to significant interest rate hikes.

At end September 2023 net debt/ equity at safe and low levels



**0.2x**

EXCLUDING  
FACTORING

**0.4x**

INCLUDING  
FACTORING

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## We expect a strong 4Q 2023

Q4 is seasonally the strongest quarter. The most important month is November.

We expect this trend to continue in 2024, given the ability of the Group to capitalize on its opportunities created.

November and December revenues to be supported by new products introduction.



# On track to deliver the 2023 guidance

## RESULTS VS FORECAST

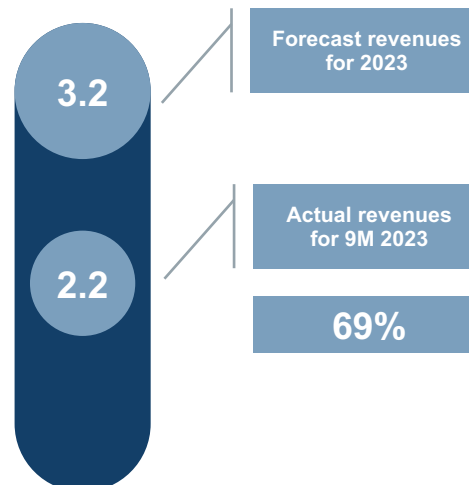
### NET INCOME

**Between  
USD 78m and  
USD 82m**

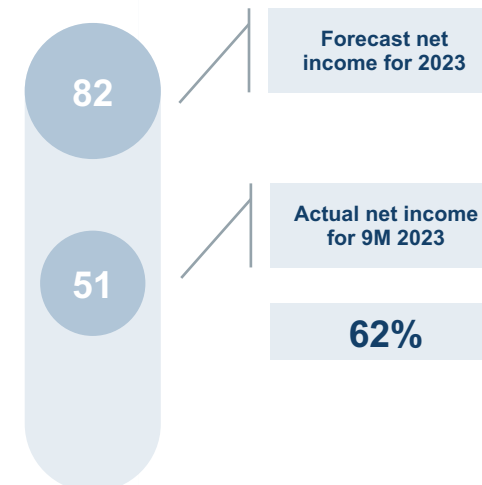
### REVENUE

**Between  
USD 3.0bn and  
USD 3.2bn**

### REVENUES (US\$ bn)



### NET INCOME (US\$ m)



Directors remain confident on the delivery of the announced financial forecast for this year



At ASBIS we  
continue to  
strive for more.  
We will do our  
best to  
continue  
delivering best  
results.



## 2024 outlook

### PRODUCTS

- New Apple products.
- More emphasis on private labels.
- More sustainable products.

### MARKETS

- Continued focus on new markets from CIS countries.
- Development in Southern Europe.
- Search for new opportunities in Africa.

### CLIENTS

- Continued focus on business customers.
- More retail customers.

# Key 2024 risks and opportunities



## RISKS

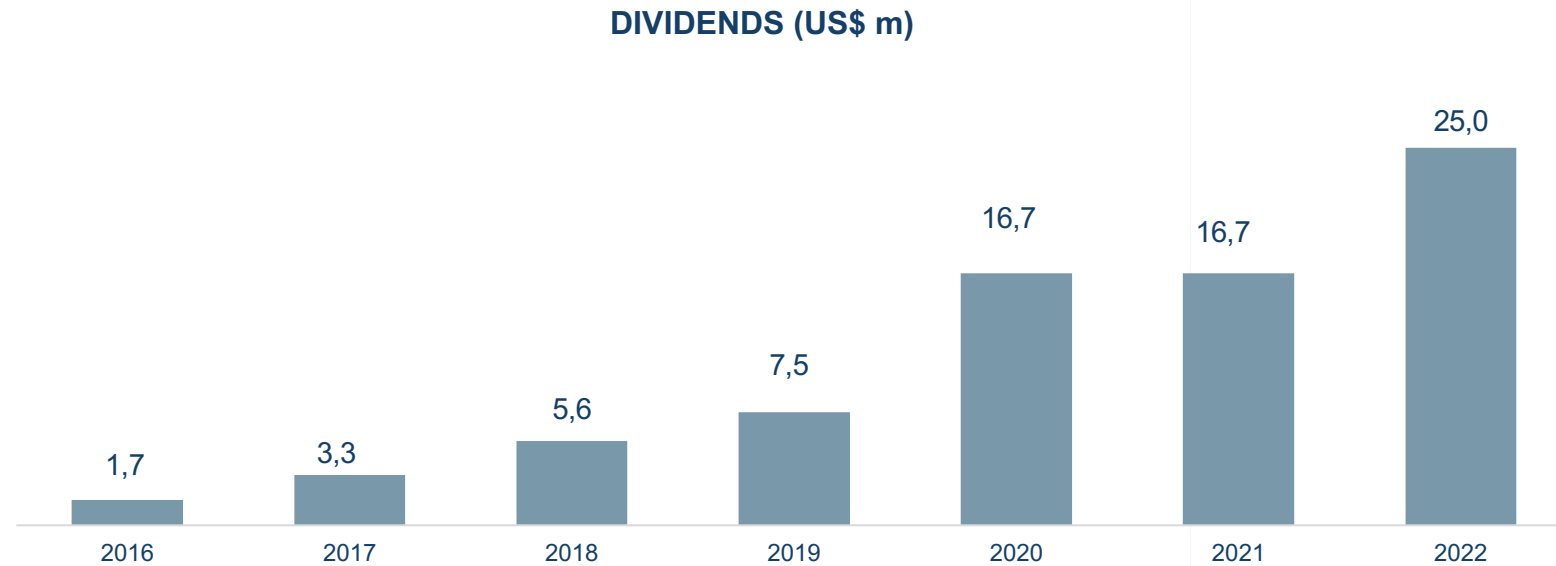
- Unstable geopolitical situation in Europe and Asia.
- Lack of rebound in macroeconomic situation.
- Growing HR costs.



## OPPORTUNITIES

- Rebound in consumer demand.
- Success of newly introduced private labels allowing for higher margins.
- Fast growing presence on new markets.

## Increased dividend payments to continue



ASBIS has a history of dividend payments.

These are expected to continue in upcoming years.

We aim to continue to pay dividends in 2 tranches.



**Q&A**



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## ASBIS iSpace stores

# 27

iSpace stores

**As an Apple  
Premium  
Reseller, ASBIS  
operates 27  
iSpace stores**

**ASBIS is an authorized distributor of Apple products in 10 countries including:**

- Armenia
- Azerbaijan
- Georgia
- Kazakhstan
- Kyrgyzstan
- Moldova
- Tajikistan
- Turkmenistan
- Ukraine
- Uzbekistan



# ASBIS own brands



Prestigio Solutions specializes in the production and delivery of innovative technological solutions for business and education.  
[www.prestigio-solutions.com](http://www.prestigio-solutions.com)



Canyon is a dynamically growing brand of high-quality and stylish, yet affordable mobile accessories, computer gadgets and wearables.  
[www.canyon.eu](http://www.canyon.eu)



Perenio is a tech brand, specializing in the IoT and created a multifunctional IoT router Elegance and smart plug Power Link from hardware to software and platform.  
[www.perenio.com](http://www.perenio.com)



Prestigio is an international brand that has been offering a wide range of consumer electronics for home, education, and business for 20 years.  
[www.prestigio.com](http://www.prestigio.com)



AENO is a young dynamic brand of smart household appliances.  
[www.aeno.com](http://www.aeno.com)

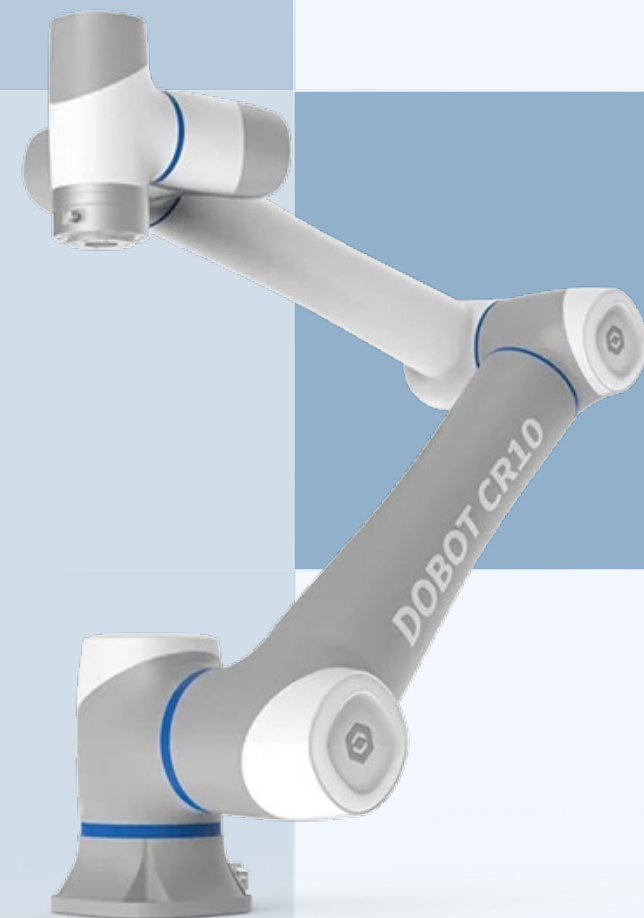


Lorgar is a brand of gaming devices aimed to bring the gaming experience to a high level. [www.lorgar.eu](http://www.lorgar.eu)

# ASBIS Robotics Solutions

## Summary of 9M 2023

- AROS successfully developed a palletizing solution in Q3 2023 and started international sales in Q4 2023 in the regions of Poland, Romania, Czech Republic, Slovakia, Bulgaria, Hungary, Greece, Cyprus, and Ukraine.
- AROS has launched a brand-new product line of robotic servomotors.
- AROS has developed the Coca-Cola Beverage Kiosk, an automated robotic beverage station built upon the AROS Beverage Kiosk.
- AROS has increased its partnership chains across the EMEA region. By the end of Q3 2023 total pool of AROS partner integrators has reached 31 companies and AROS expects to have another 15 Value Added Resellers by the end of this year.



## The new generation of Refurbished

- Breezy significantly expanded its market presence across its operational countries.
- Breezy established partnerships with two major players in the Ukrainian market.
- Breezy's trade-in service debuted in Orange Moldova, the country's leading mobile operator with 3,600 retail outlets.
- Breezy emerged as the exclusive trade-in provider for all authorized Mi resellers in Poland.
- Breezy plans to introduce a novel retail store format for second-life gadgets in Kazakhstan and Ukraine.

### Breezy in numbers

7

#### Countries

of physical presence

150+

#### Employees

Contribute to closed-loop economy

40+

#### Partners

Included in Trade-In program

2500+

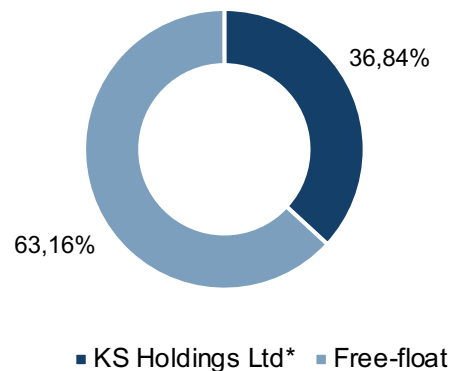
#### Retail shops

In partners' stores network





# Shareholder structure



	Number of shares & votes	% of share capital & votes
KS Holdings Ltd *	20,448,127	36.84%
Free-float	35,051,873	63.16%
<b>TOTAL</b>	<b>55,500,000</b>	<b>100.00%</b>

Affiliation to  
indexes:



- In July and August 2023 the Company sold all treasury stock, representing 0.59% of share capital and giving 328,800 votes (0.59%) at the General Meeting of Shareholders.

As of : 2023-11-09

\*Siarhei Kostevitch holds shares as the sole shareholder of KS Holdings Ltd



# Thank you

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