

The ASBIS logo features the word "ASBIS" in a bold, dark blue, sans-serif font. A registered trademark symbol (®) is positioned at the top right of the letter "S".

**ASBIS**<sup>®</sup>

*SUCCESS THROUGH FOCUS*

# ASBIS DELIVERS A RECORD QUARTER 3 AND SHOWS THE SKY AS THE LIMIT

**Q3 AND 9M 2021 RESULTS**



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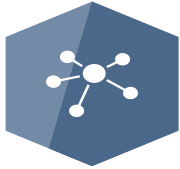
ASBIS – Q3 2021 OVERVIEW

FINANCIAL RESULTS IN Q3 2021 and 9M 2021

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Subsidiaries  
in **27**  
countries



**20 000**  
active customers  
in 56 countries



**2 040**  
employees



Revenue  
**\$ 717 m**



**2**  
Distribution  
centers



**23 000**  
products  
in portfolio



**20** B2B e-shops  
**5** B2C e-commerce



Over  
**240**  
vendors



**60%**  
Online transactions

# Q3 2021 KEY EVENTS

## INTERIM DIVIDEND

The BOD decided to pay an interim dividend of **US\$ 0.20** per share. Record date was set on November 18th, 2021 and a payment date - December 2nd, 2021.

## BUSINESS UPDATE

- ❑ **A contract extension with Pure Storage**, extending ASBIS geographical coverage with Pure Storage products in Bulgaria, North Macedonia and Kosovo
- ❑ **A new distribution partnership agreement with Vertiv** - a global provider of critical digital infrastructure and continuity solutions
- ❑ **A new distribution agreement with Micro Focus Enterprise B.V.** - one of the leaders in the market of global IT service and operations management software

## SOCIAL RESPONSIBLE COMPANY

- ❑ ASBIS has entered the **WIG-ESG index** which brings together listed companies on the Warsaw Stock Exchange recognized as socially responsible
- ❑ In the third edition of the Companies Climate Awareness Survey, ASBIS was among the 7 companies with the highest ratings, receiving the title: **Climate Aware Company**

## UPDATED FORECAST

The Company upgraded its financial forecast for 2021 which assumes revenues between **USD 2.9 and USD 3.1 billion** and a net profit after tax of USD between **71.0 and 74.0 million**.

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# Q3 2021 SENSATIONAL QUARTER

## Q3 2021 Financial Highlights

### REVENUES

US\$ 717 million

**+16% YoY**

### GROSS PROFIT

US\$ 52.8 million

**+46% YoY**

### GROSS PROFIT MARGIN

**7.37%**

### NET INCOME

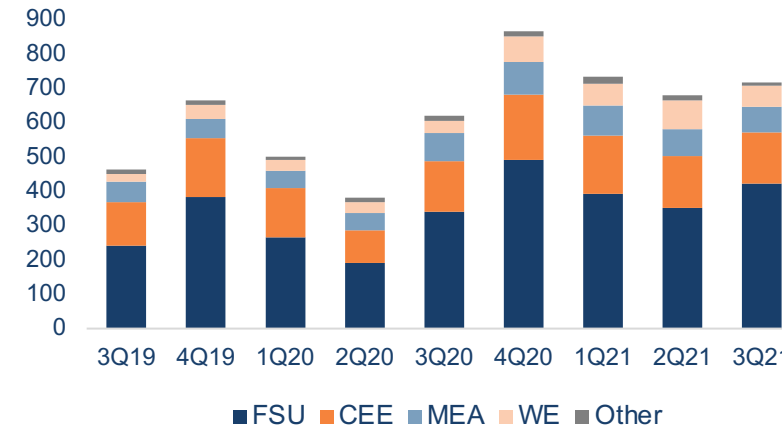
US\$ 18.2 million

**+75% YoY**

# Q3 2021 STRONG PRESENCE IN ALL MAJOR REGIONS

- FSU region with a strong 24% YoY growth.
- The F.S.U. and the CEE regions contributed the majority of the Group's revenues.
- WE region recorded a 78% growth YoY.

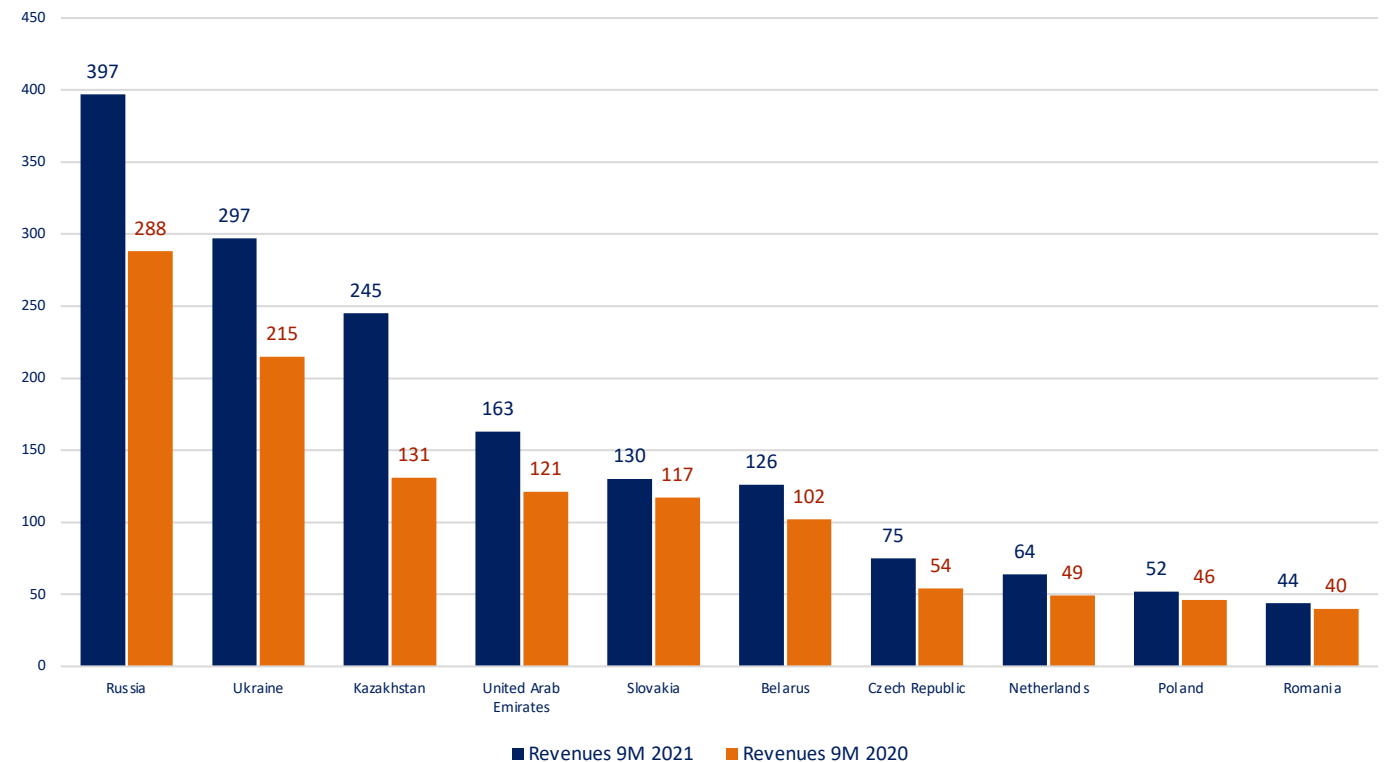
REVENUES BY REGIONS (US\$ m)



US\$ m	Q3'21	Q3'20	YoY
FSU	422.7	341.0	24%
CEE	148.2	146.7	1%
MEA	75.5	82.1	-8%
WE	61.9	34.8	78%
Other	8.3	15.1	-45%
<b>TOTAL</b>	<b>716.5</b>	<b>619.7</b>	<b>16%</b>

# 9M 2021 TOP 10 COUNTRIES IN REVENUES vs 9M 2020

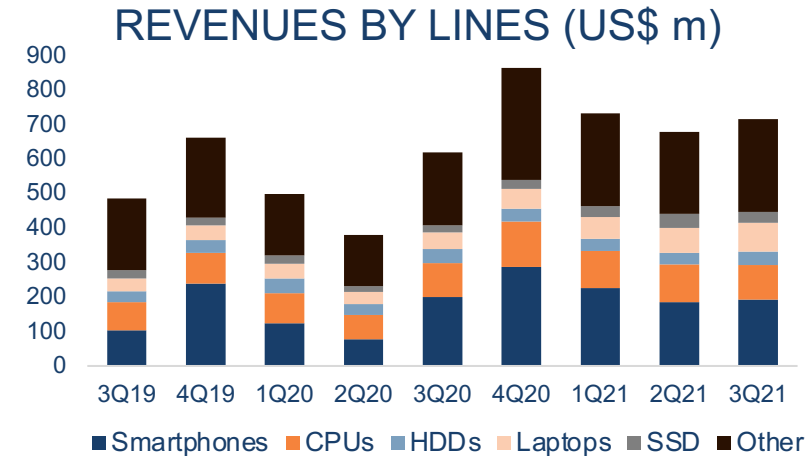
- Russia with impressive revenues of USD 397 m remained no. 1 country, while Ukraine followed.
- Kazakhstan recorded a stunning 87% YoY growth and remained in top 3.
- Poland still in top 10, with a 14% YoY growth.





# Q3 2021 HIGH DEMAND FOR ALL MAJOR PRODUCT LINES

- Minor decline of smartphones business in anticipation of the new i-phone 13.
- Strong market share in both CPUs and laptops.
- Robust growth in SSDs fuelled by data center and other VAD business projects.
- PC desktop and peripherals with a strong demand and growth.



REVENUES BY LINES (US\$ m)

US\$ m	Q3'21	Q3'20	YoY
Smartphones	192.1	199.8	-4%
CPUs	100.7	100.3	0%
Laptops	84.4	45.8	85%
SSDs	31.5	21.0	50%
PC desktop	16.8	11.5	46%
Peripherals	36.2	29.3	24%
<b>TOTAL</b>	<b>716.5</b>	<b>619.7</b>	<b>16%</b>

# Q3 2021 THE BEST THIRD QUARTER EVER

- Strong growth in top-line and gross profit.
- Gross profit margin at a new record-high level, reached 7.37% in Q3'21.
- SG&A costs under control despite strong growth in revenues, gross profit and net profitability.
- Net income rocketed and reached US\$ 18.2 m.

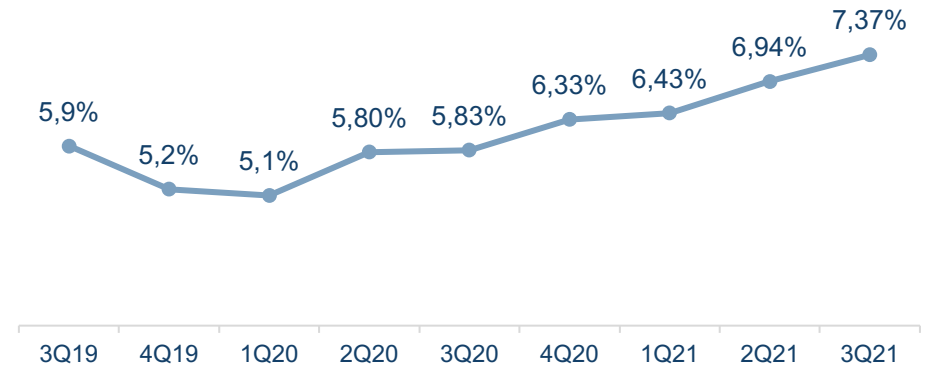
US\$ m	Q3'21	Q3'20	YoY
<b>Revenue</b>	<b>716.5</b>	<b>619.7</b>	<b>16%</b>
Gross profit	52.8	36.1	46%
<i>Gross profit margin</i>	<i>7.37%</i>	<i>5.83%</i>	<i>1.54 ppt</i>
SG&A costs	25.4	19.7	29%
<b>Profit from operations</b>	<b>27.4</b>	<b>16.5</b>	<b>66%</b>
<i>Operating margin</i>	<i>3.83%</i>	<i>2.66%</i>	<i>1.17 ppt</i>
Financial income	0.9	0.9	-5%
Financial expenses	-6.3	-4.5	40%
<b>Profit before tax</b>	<b>22.0</b>	<b>12.9</b>	<b>71%</b>
Tax	-3.8	-2.5	51%
<b>Profit for the period</b>	<b>18.2</b>	<b>10.4</b>	<b>75%</b>
<i>Net margin</i>	<i>2.54%</i>	<i>1.68%</i>	<i>0.86 ppt</i>

**MORE THAN 75% INCREASE OF THE NET INCOME IN Q3 2021.**

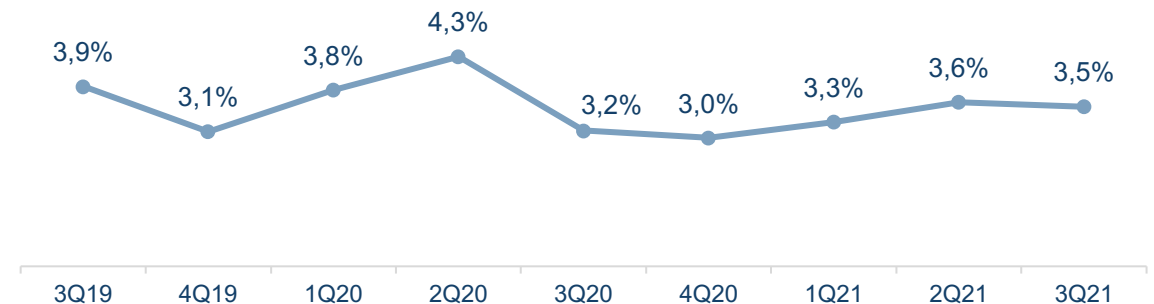
# Q3 2021 THE HIGHEST EVER GROSS PROFIT MARGIN

- Gross profit margin sky-rocketed to 7.37% in Q3'21.
- In Q3'21 gross profit margin continued a positive upward trend.
- SG&A expenses grew by 29.1% YoY mainly due to higher GP, therefore higher variable expenses.

## GROSS PROFIT MARGIN (%)



## SG&A as % of SALES



# 9M 2021 EXCELLENT RESULTS

- Dynamic growth in top-line and gross profit.
- Gross profit margin much improved and reached 6.91% in 9M'21.
- SG&A costs under control despite significant growth in revenues, gross profit and net profitability.
- Stunning growth of 220% in net income YoY.

US\$ m	9M'21	9M'20	YoY
<b>Revenue</b>	<b>2,130.0</b>	<b>1,500.6</b>	<b>42%</b>
Gross profit	147.2	83.5	76%
<i>Gross profit margin</i>	6.91%	5.56%	1.35 ppt
SG&A costs	74.2	55.2	35%
<b>Profit from operations</b>	<b>72.9</b>	<b>28.3</b>	<b>158%</b>
<i>Operating margin</i>	3.42%	1.88%	1.54 ppt
Financial income	3.0	2.0	47%
Financial expenses	-16.9	-11.5	47%
<b>Profit before tax</b>	<b>59.4</b>	<b>19.1</b>	<b>210%</b>
Tax	-11.0	-4.0	173%
<b>Profit for the period</b>	<b>48.4</b>	<b>15.1</b>	<b>220%</b>
<i>Net margin</i>	2.27%	1.01%	1.26 ppt

MORE THAN THREE-FOLD INCREASE IN NET INCOME FOR 9M 2021.

# INDEBTEDNESS AT SAFE LEVEL

- Strong increase in cash position in seasonally NWC intensive quarter.
- Ability of the Company to access external financing remains very strong.
- The weighted average cost of debt reached 8.2% in 9M 2021, versus 8.0% in 2020.

US\$ m	9M'21	9M'20	YoY
Short term borrowings (excl. leases and factoring)	113.5	74.3	53%
Long term borrowings (excl. leases)	0.4	0.5	-13%
Other long term liabilities	0.8	0.7	12%
Lease liabilities	6.2	6.1	2%
Cash and cash equivalents	165.3	119.6	38%
Factoring creditors	82.0	44.0	86%
<b>Net debt (no factoring)</b>	<b>(50.0)</b>	<b>(44.0)</b>	<b>13%</b>
<b>Net debt (incl. factoring)</b>	<b>32.0</b>	<b>0</b>	<b>-</b>

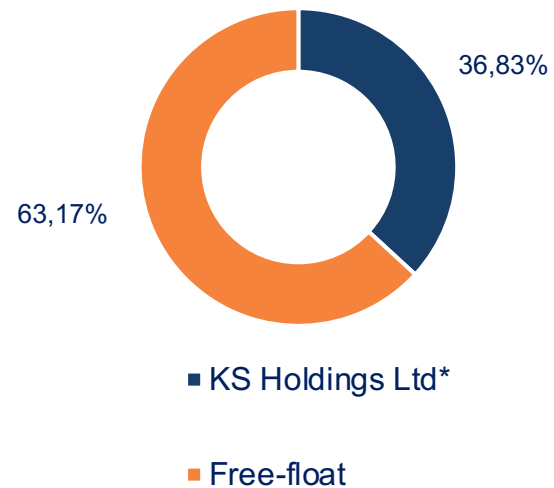
End of 9M 2021 net debt/ equity

**0x** excl. factoring

**0.2x** incl. factoring

at safe and low levels

# SHAREHOLDER STRUCTURE



	Number of shares & votes	% of share capital & votes
KS Holdings Ltd *	20,443,127	36.83%
Free-float	35,056,873	63.17%
<b>TOTAL</b>	<b>55,500,000</b>	<b>100.00%</b>

As of : 2021-11-04

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

## ASBIS entered WIG-ESG Index of the WSE



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# 2021 UPGRADED FORECAST

## REVENUE

Between USD 2.9bn and US\$ 3.1bn

(Originally: between US\$ 2.7bn and US\$ 2.9bn)



~7%

## NET INCOME

Between USD 71m and US\$ 74m

(Originally: between US\$ 47.0m and US\$ 51.0m)



~45%

## ASSUMPTIONS

- No another lockdown and significant changes in consumer behavior
- A stable situation in key FSU and CEE markets and in key FSU currencies (not worse than in 2020).
- No significant disturbance in the general economic environment.
- A similar YoY competitive environment with no new significant market entrants and favourable relations with key suppliers.
- No significant decrease in sales of high margin products and solutions (VAD) and private label products.
- Smartphones segment will not deteriorate more than 10% in the markets we operate.
- No significant shortages of specific components in IT industry.
- No significant decrease in demand or supply for IT products



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# SUMMARY OF Q3 2021

## THE BEST Q3 IN COMPANY'S HISTORY

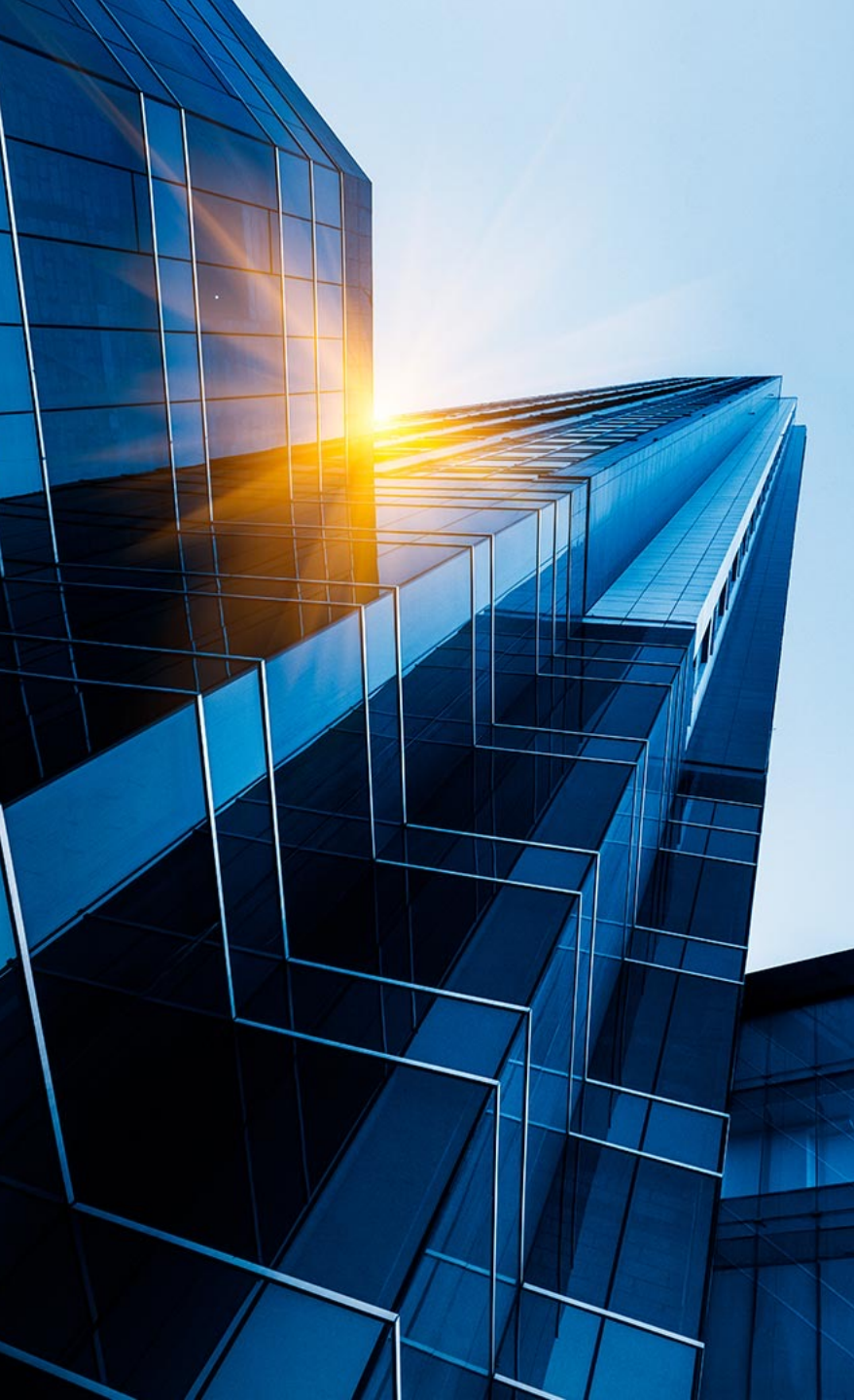
- **The highest ever** revenue in Q3
- **The highest ever** net profit in Q3
- **The highest ever** gross profit margin

## CONTINUITY OF THE DIVIDEND POLICY

- Interim dividend from the Company's profit for 2021: USD 11.1 million will be paid to shareholders (USD 0.20 cents per share) which is **twice as much** paid in December 2020.
- Dividend has been paid for the last six consecutive years

## DYNAMIC BUSINESS DEVELOPMENT

- **Contract extension** with Pure Storage,
- **New distribution partnership agreement** with Vertiv
- **New distribution agreement** with Micro Focus Enterprise B.V.



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# KEY DRIVERS OF 2021

## SUSTAIN THE BUSINESS WITH APPLE

The Company aims to retain its strong market position and strengthen its relationships with customers and suppliers.

## TRUE VAD SALES

The Company expects to focus on the acquisition and servicing of large business projects. The success of last two years with Data Centers and other projects are expected to be replicated as well as the real VAD services. We also want to continue to further develop ESD segment.

## BUSINESS SOLUTIONS

The solutions we already developed show signs of success and the Company is expecting to significantly benefit from the expansion of these solutions in all markets we operate.

## TRADITIONAL DISTRIBUTION

Our core strengths are expected to play a leading role in 2021 and excel against competition in all product segments of the traditional components distribution.

## OWN BRANDS AND NEW PROJECTS

Having restructured Prestigio and together with a strong Canyon and a promising Perenio, the Company expects good contribution in revenue and profitability. The Company is considering introducing to the market small kitchen appliances under a new own brand.

In addition, the Group has strongly entered strongly into the used Smartphones market with Breezy and it plans to penetrate this business in all countries of operations.

# ASBIS OWN BRANDS



Prestigio is an international brand that has been offering a wide range of consumer electronics for home, education, and business for 20 years. The company sells products in 30 countries around the world

Prestigio introduced the world's first interactive keyboard with touchpad on keys, as well as smart speakers, portable acoustic systems, hidden wireless chargers, graphene-based power banks, and this is just the beginning.

The company's slogan for launching new products is 'The art of hi-tech', as special attention is paid to innovation, high-quality premium materials, and modern technology.

[www.prestigio.com](http://www.prestigio.com)



Canyon is a dynamically growing brand of high-quality and stylish, yet affordable mobile accessories, computer gadgets, wearables and gaming tools.

Being found in the Netherlands in 2003, it has grown to a full-scale consumer electronics brand. It has offices in 16 countries and its products are sold in more than 26 countries all across the globe.

Canyon believes that YOU CAN change this world for the better - your creativity, your stories, your eco-position, tolerance, humanity, your desire to help and share, your mindful consumption are your contribution to this world.

[www.canyon.eu](http://www.canyon.eu)



Perenio is an innovative tech company, creating solutions, based on our own platform and know-how for the brand noble mission to the benefit of humanity including categories:

- Smart Health for intelligent protecting from viruses
- Smart Home for more comfortable interaction with a household appliance
- Smart Energy for a more conscious and economical use of electricity.

Perenio ecosystem includes its own base software platform and a wide range of connected smart devices.

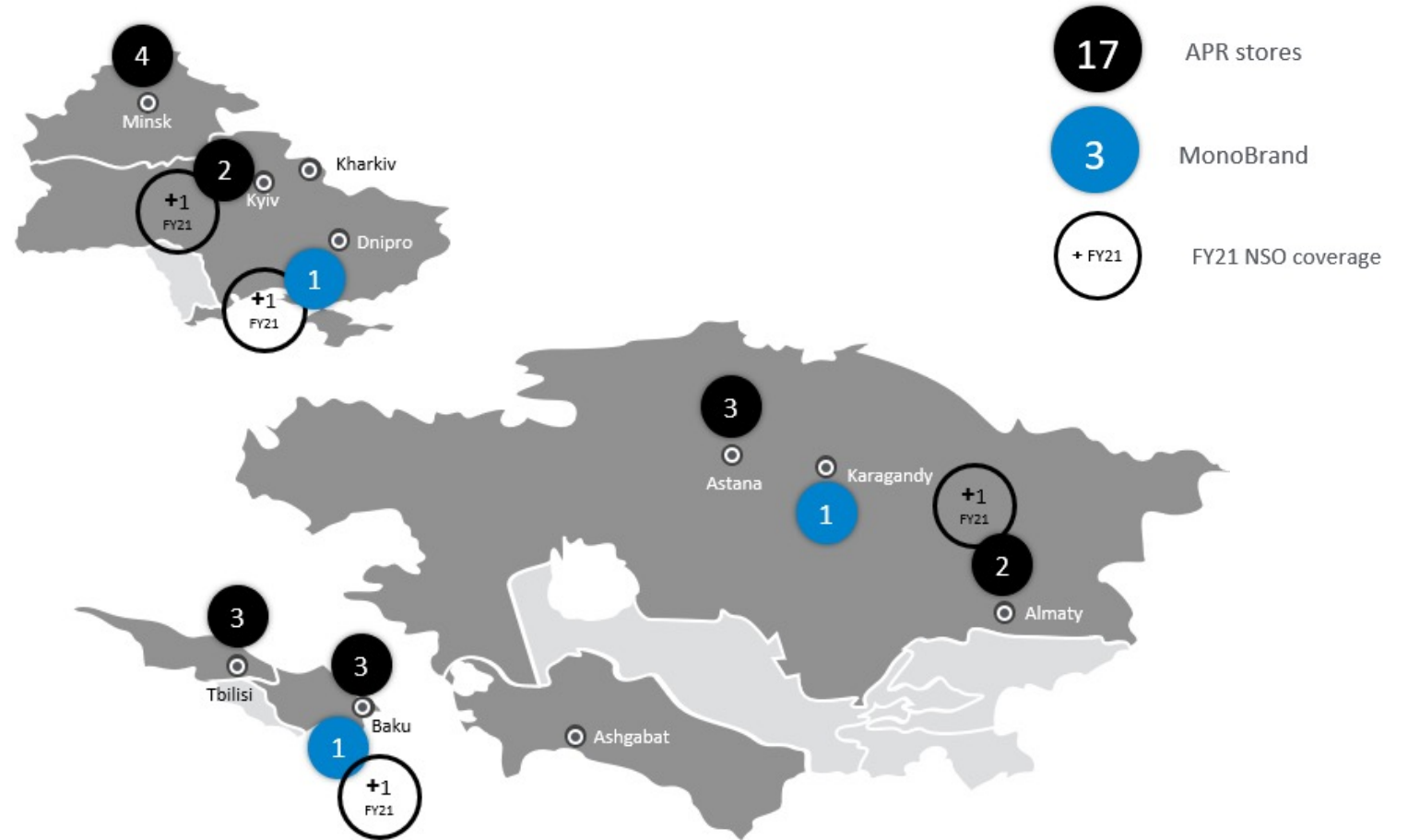
[www.perenio.com](http://www.perenio.com)

# ASBIS APR AND MONOBRAND INVESTMENTS

ASBIS is an authorized distributor of Apple products in **11 countries of the Former Soviet Union** (with the exception of Russia) including:

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

As an Apple Premium Reseller, ASBIS operates **17 stores** in five countries.



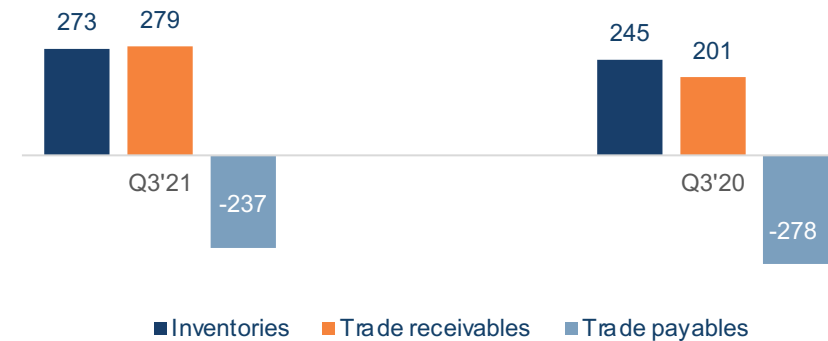
# CASH ENGAGED IN WORKING CAPITAL

- High revenue growth resulted in the need to involve more cash into working capital.
- Capex comprises of outflows for investments in tangible and intangible assets.
- Group aims for positive 2021 operating cash flow despite strong revenues growth.

## NET WORKING CAPITAL (US\$ m)

**NWC: 15% of sales**

**NWC: 11% of sales**



US\$ m	9M'21	9M'20
Net cash from operating activities	-4.2	0.7
Net cash from investing activities	-11.1	-3.2
Net cash from financing activities	6.9	6.6
<b>Net movement in cash and cash equivalents</b>	<b>-8.4</b>	<b>4.1</b>



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