

ASBIS[®]

Robust profitability combined with high growth

2Q' 18 and H1' 18 RESULTS

8th AUGUST 2018

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AGENDA

2Q' 18 BUSINESS UPDATE

2Q' 18 and H1' 18 FINANCIAL
OVERVIEW

2018 OUTLOOK

Q&A

BACK-UP

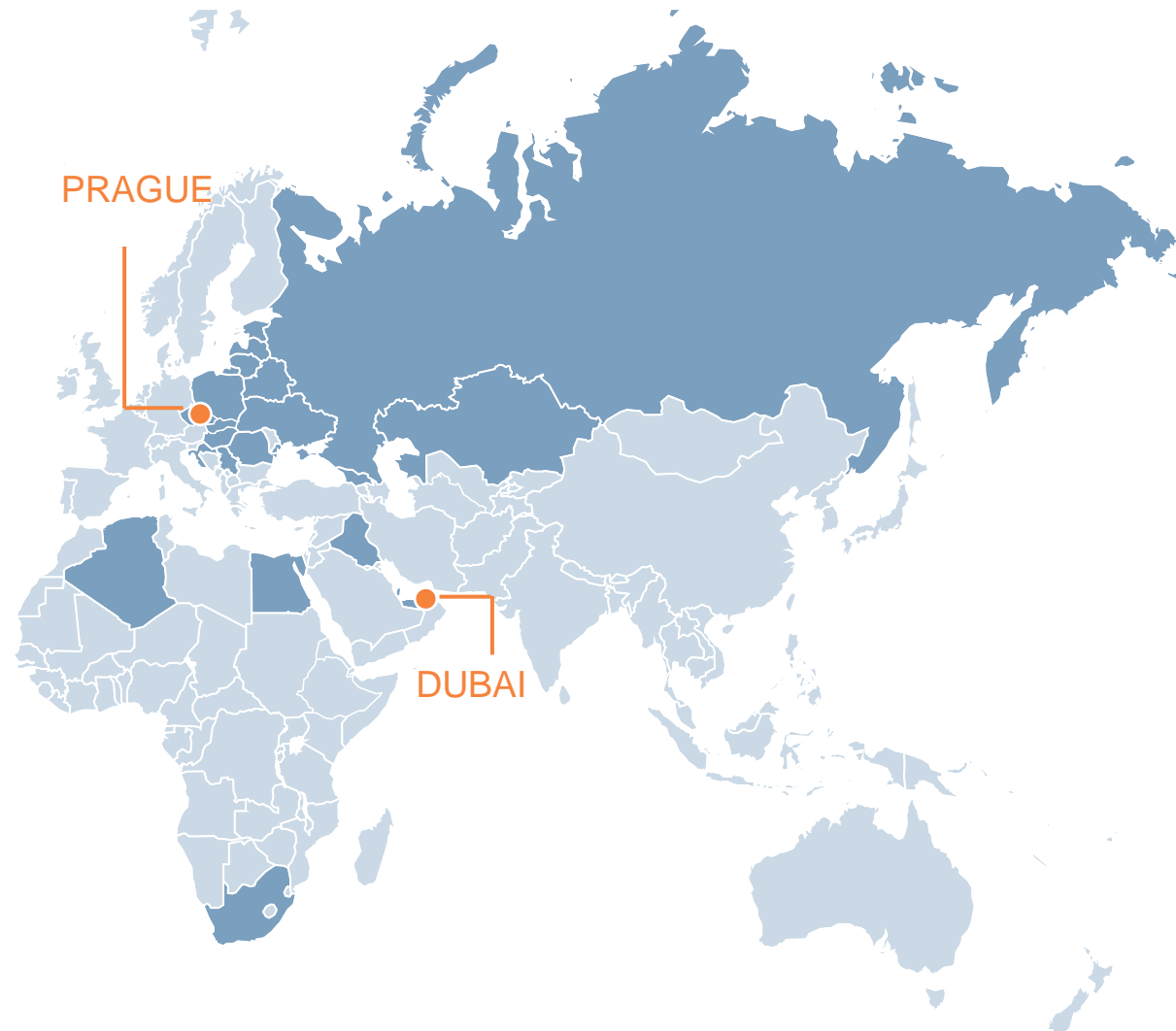
LEADING IT PARTNER IN EMERGING MARKETS OF EMEA

Headquarters in Cyprus

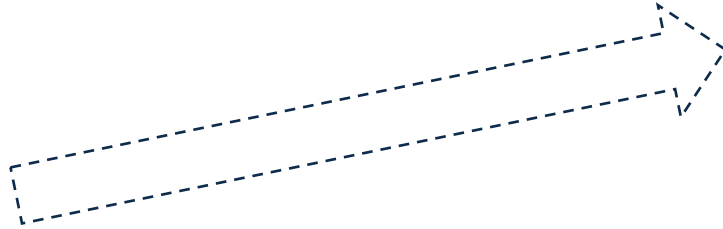
> **30,000** active customers in **60** countries worldwide

Subsidiaries in **24** countries, local presence in key countries

2 distribution centers (Prague, Dubai)



A MOVE TOWARDS VALUE ADDED



We have some **15,000** products but constantly upgrade our product offering.

Cloud Services

Apple business gives us new growth opportunities: new countries and new products.

VAD

Value Add Distribution allows us to offer services attached to products sold.

IoT

Internet of Things
We launched our third private label – **Perenio** – in this field.

KEY 2Q' 18 EVENTS

STRONG MONTHLY DATA

Strong double-digit revenue estimates for April – June 2018.

Strong performance of the Apple business and two large data center projects.

GUIDANCE

Maintenance of 2018 guidance, showing sizeable YoY growth

Constant monitoring of results and communication with market participants

DIVIDEND

Resolution of AGM on dividend payment from 2017 earnings.

The dividend was paid out on June 12th 2018

2Q' 18: AN EXCELLENT QUARTER

- Strong growth in revenues.
- Strong gross profit growth.
- SG&A costs under control.
- 168% YoY growth in net income.

REVENUES

US\$ 462.9 million

+65% YoY

GROSS PROFIT

US\$ 20.4 million

+35% YoY

GROSS PROFIT MARGIN

4.4%

NET INCOME

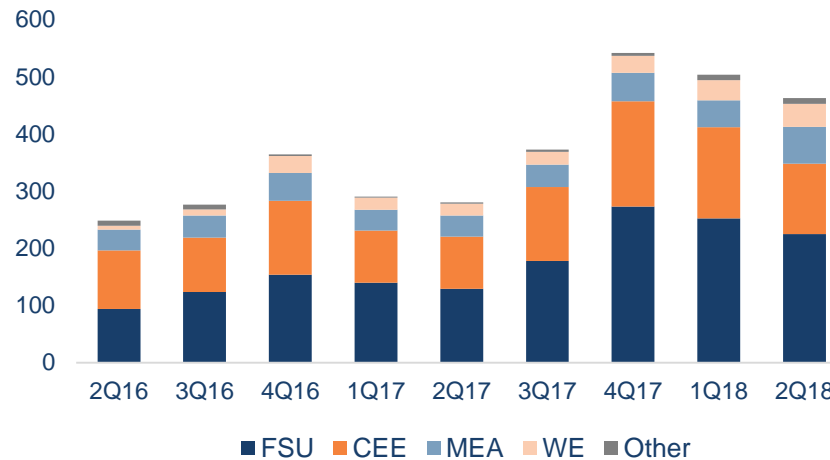
US\$ 1.2 million

+168% YoY

STRONG GROWTH IN ALL REGIONS

- Strong YoY growth in all FSU countries in 2Q'18. Share of FSU region exceeded 48% in 2Q'18 revenues.
- Russia remained the No. 1 country while Ukraine +100% YoY growth.
- Strong growth in CEE countries (Slovakia and Czech Republic). MEA revenues were supported by enhanced product offering.

REVENUES BY REGIONS (US\$ m)



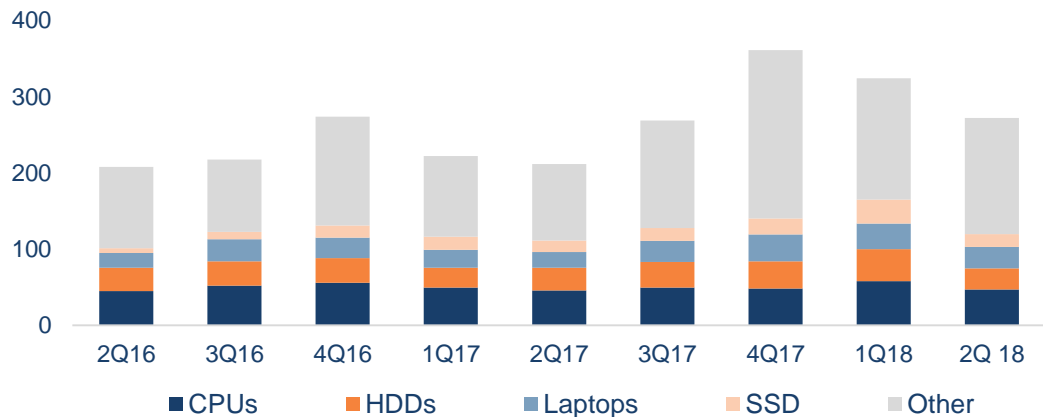
REVENUES BY REGIONS (US\$ m)

US\$ m	2Q' 18	2Q' 17	YoY
FSU	225.1	129.0	75%
CEE	123.1	91.3	35%
MEA	64.0	37.2	72%
WE	40.4	20.5	97%
Other	10.3	2.1	387%
TOTAL	462.9	280.1	65%

STRONG SMARTPHONE GROWTH

- Strong smartphones business driven by iPhone sales.
- Significant market share in both CPUs and HDDs.
- Tablets and laptops growth driven by demand for mobility

REVENUES BY LINES (US\$ m)



REVENUES BY LINES (US\$ m)

US\$ m	2Q' 18	2Q' 17	YoY
Smartphones	190.7	68.3	179%
CPUs	46.9	45.8	2%
HDDs	27.6	29.8	-7%
Laptops	28.4	20.4	39%
SSD	16.6	15.0	11%
Tablets	16.0	9.7	65%
TOTAL	462.9	280.1	65%

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STRONG 2Q' 18 RESULTS

- Strong growth in top-line and gross profit.
- Gross profit margin at 4.4%.
- Expenses under control despite growth in gross and net profitability.
- Early payment discounts positively impacted financial income.
- 168% growth of net income.

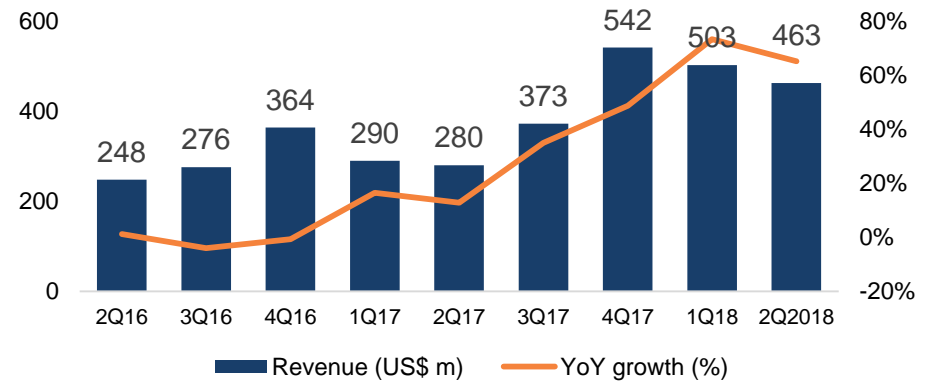
US\$ m	2Q' 18	2Q' 17	YoY
Revenue	462.9	280.1	65%
Gross profit	20.4	15.1	35%
<i>Gross profit margin</i>	4.41%	5.39%	-1.0pp
SG&A costs	16.6	11.2	50%
Profit from operations	3.8	3.9	-0.1pp
<i>Operating margin</i>	0.82%	1.40%	-0.6pp
Financial income	1.3	0.3	354%
Financial expenses	3.8	3.1	22%
Profit before tax	1.5	0.6	146%
Tax	0.3	0.2	79%
Profit for the period	1.2	0.5	168%
<i>Net margin</i>	0.27%	0.16%	0.1pp

168% GROWTH OF NET INCOME IN 2Q'18.

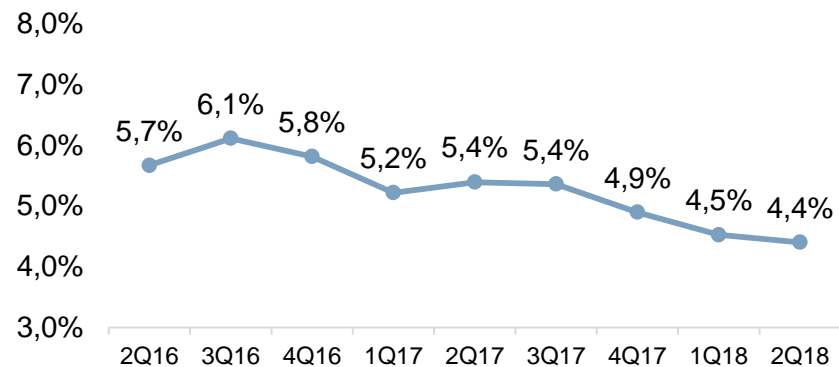
A SCALE CHANGE IN REVENUES

- 2Q' 18 revenues reached US\$ 463m, up 65% YoY.
- Gross profit margin reached 4.4% in 2Q18
Gross profit margin YoY contraction was related to revenue growth

REVENUES



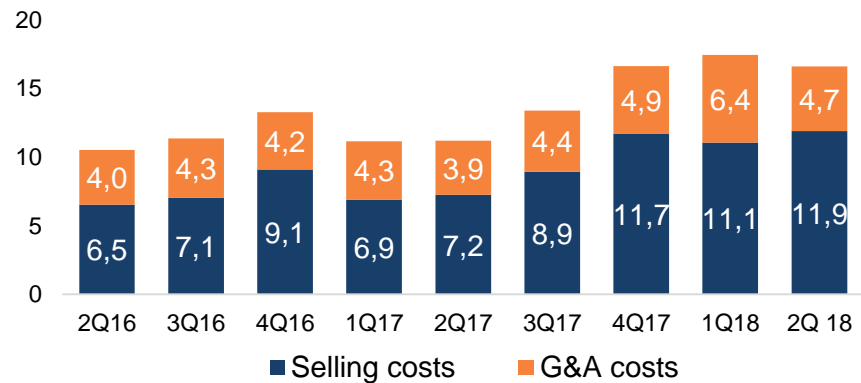
GROSS PROFIT MARGIN (%)



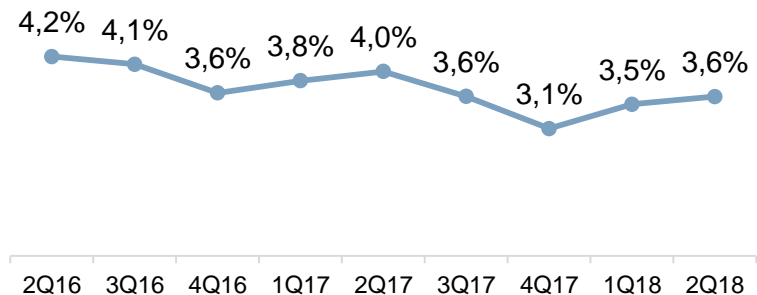
SG&A COSTS GROW BELOW SALES

- 2Q' 18 selling expenses grew at a slower pace than revenues, despite full impact of hiring c.200 employees.
- Administration expenses grew in 2Q' 18 by 20% 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



STRONG H1' 18 RESULTS

- Strong growth in top-line and gross profit.
- Gross profit margin at 4.5%.
- Expenses under control despite fast growth.
- Early payment discounts positively impacted financial income.
- Almost tripling of net income.

US\$ m	H1 '18	H1 '17	YoY
Revenue	966.2	570.3	69%
Gross profit	43.2	30.2	43%
<i>Gross profit margin</i>	<i>4.47%</i>	<i>5.30%</i>	<i>-0.8pp</i>
SG&A costs	34.1	22.3	53%
Profit from operations	9.1	7.9	16%
<i>Operating margin</i>	<i>0.95%</i>	<i>1.39%</i>	<i>-0.4pp</i>
Financial income	2.3	0.5	367%
Financial expenses	7.8	6.7	17%
Profit before tax	3.7	1.3	191%
Tax	0.8	0.3	187%
Profit for the period	2.9	1.0	192%
<i>Net margin</i>	<i>0.31%</i>	<i>0.18%</i>	<i>0.1pp</i>

ALMOST TRIPPLING OF NET INCOME IN H1' 2018.

INDEBTEDNESS AT SAFE LEVEL

- Strong 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.
- The weighted average cost of debt came down to 7.5% in H1 2018 versus 9.3% in 2017.
- Ability of the Company to access financing remains very strong.

US\$ m	H1 '18	H1 '17	YoY
Short term borrowings (no factoring)	81.3	64.8	25%
Factoring creditors	36.7	38.1	-4%
Short term borrowings (incl. factoring)	118.0	103.0	15%
Long term interest bearing debt	0.0	0.1	-100%
Cash and equivalents	45.6	30.4	50%
Net debt (no factoring)	35.8	35.4	1%
Net debt (incl. factoring)	72.5	73.5	-1%

H1 2018 net debt/ equity
0.4x excl. factoring
0.8x incl. factoring
 safe and low levels

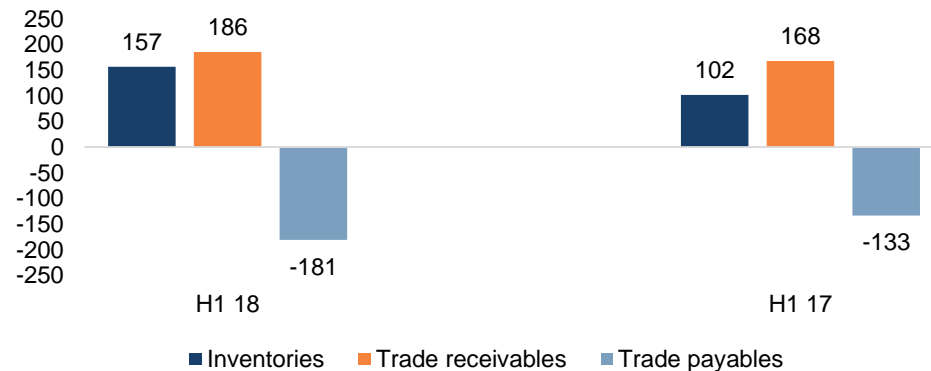
CASH ENGAGED IN WORKING CAPITAL

- 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 and intangibles.
- Strong revenue growth was partially compensated by improved working capital utilization.
- Group aims for positive 2018 operating cash flow despite strong growth.

NET WORKING CAPITAL (US\$ m)

NWC: 17% of sales

NWC: 24% of sales



US\$ m	H1 '18	H1 '17
Net cash from operating activities	-53.7	-18.9
Net cash from investing activities	-1.3	-0.8
Net cash from financing activities	5.0	5.8
Net movement in cash and cash equivalents	-50.0	-13.9

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KEY DRIVERS OF 2018

FURTHER GROWTH IN APPLE

Significant increase to come from gaining new customers in new channels in the markets we operate. Major focus in Kazakhstan, Ukraine and Belarus. Strong growth is expected in smaller markets of Azerbaijan, Georgia, Armenia.

VAD SALES

Large project business: we managed to grab a sizeable amount of project sales, especially in Russia. This includes building of large data centers, where ASBIS is delivering CPUs, HDDs and SSDs.

MAINBOARDS AND VGAs

Due to ability to secure supply in the current shortage market, we expect extra revenue from the sales of VGAs to the block chain (mining) projects across Europe. This is mostly in CEE countries (Czech Republic, Slovakia, Romania).

ACCESSORIES

Increase in sales of accessories (through Logitech and other brands) where we obtained master distribution across all EMEA (we did not possess it in H1 2017) and especially MEA region.

NEW PRIVATE LABEL

Increase in private labels, especially in the second half of 2018 when Perenio will start sales of Smarthome and Smart security sensors and other products coupled with new Prestigio consumer product lines.

2018 GUIDANCE

REVENUE

Between US\$ 1.8bn and US\$ 1.9bn

NET INCOME

Between US\$ 9m and US\$ 10m

ASSUMPTIONS

Growth in gross profit margin and positive operating cash flow.

A stable situation on our 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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A BROAD PRODUCT PORTFOLIO

15,000 products in portfolio

Complete solutions for every customer in every market segment.

Prestigio and **Canyon** private labels in existence for **> 15 years** – access to retail customer – and a new **Perenio** brand.

PC and server components

Desktop and mobile PC

Software

Smartphones

Cloud Services

Value add solutions

OEM: Prestigio, Canyon

Internet of Things: Perenio

FOCUS ON ON-LINE TRADING

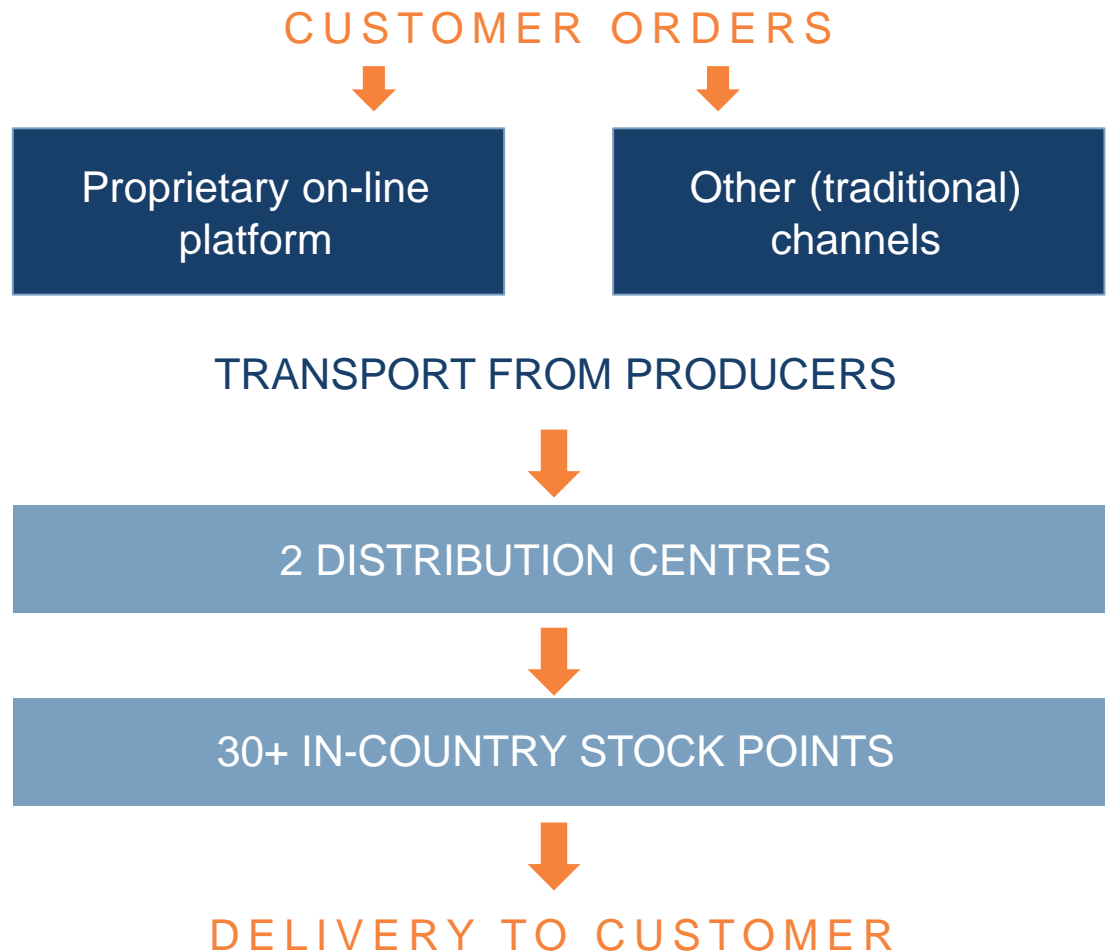
60% of sales
conducted through a
unique on-line system

Central logistics
management

Integrated cloud
based ERP system

20 B2B e-shops

30+ in-country stock
points



ASBIS KEY STRENGTHS

A unique geographical presence across all markets of Emerging Markets of EMEA.

A diversified portfolio of hardware, software and private labels coupled with strong relationships with all key IT vendors.

Flexible and adoptive in market changes through a long lasting management.

NEW IFRS APPLICATION

IFRS 9

IFRS 15

IFRS 16

Financial Instruments

Effective: 1 January 2018

Revenue recognition

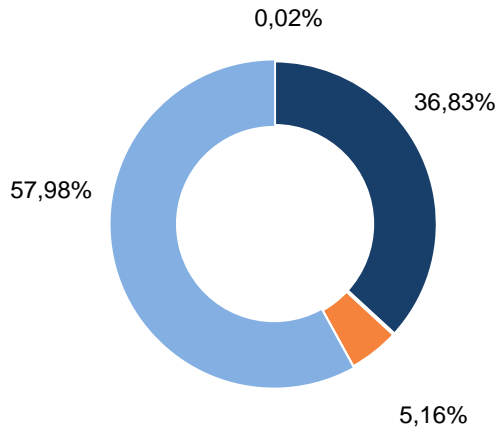
Effective: 1 January 2018

Leases

Effective: 1 January 2019

There should be no material impact of the new standards on ASBIS' financial statements.

SHAREHOLDER STRUCTURE



- Siarhei Kostevitch (CEO)
- Noble Funds TFI
- Treasury shares
- Free-float

	Number of shares & votes	% of share capital & votes
Siarhei Kostevitch (CEO)	20,443,127	36.83%
Noble Funds TFI	2,866,299	5.16%
Treasury shares	13,389	0.02%
Free-float	32,177,185	57.98%
TOTAL	55,500,000	100%

We have a high, almost 58% free-float.

GLOSSARY

FSU	Former Soviet Union countries, including Russia, Ukraine, Kazakhstan, Belarus, Georgia etc.
CEE	Central & Eastern Europe; the region includes countries like Czech Republic, Slovakia, Hungary, Poland, Romania, Bulgaria etc.
MEA	Middle East (UAE, Iraq, Qatar and other Gulf states) and Africa
WE	Western Europe
CPU	Central Processing Units
HDD	Hard Disk Drives
SSD	Solid Disk Drives

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