

ASBIS[®]

SUCCESS THROUGH FOCUS

REVENUES AND PROFITS BEAT EXPECTATIONS

3Q '18 AND 9M '18 RESULTS

7th NOVEMBER 2018

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AGENDA

3Q '18 BUSINESS UPDATE

3Q '18 and 9M '18 FINANCIAL
OVERVIEW

FY 2018 OUTLOOK

Q&A

BACK-UP

LEADING IT PARTNER IN EMERGING MARKETS OF EMEA

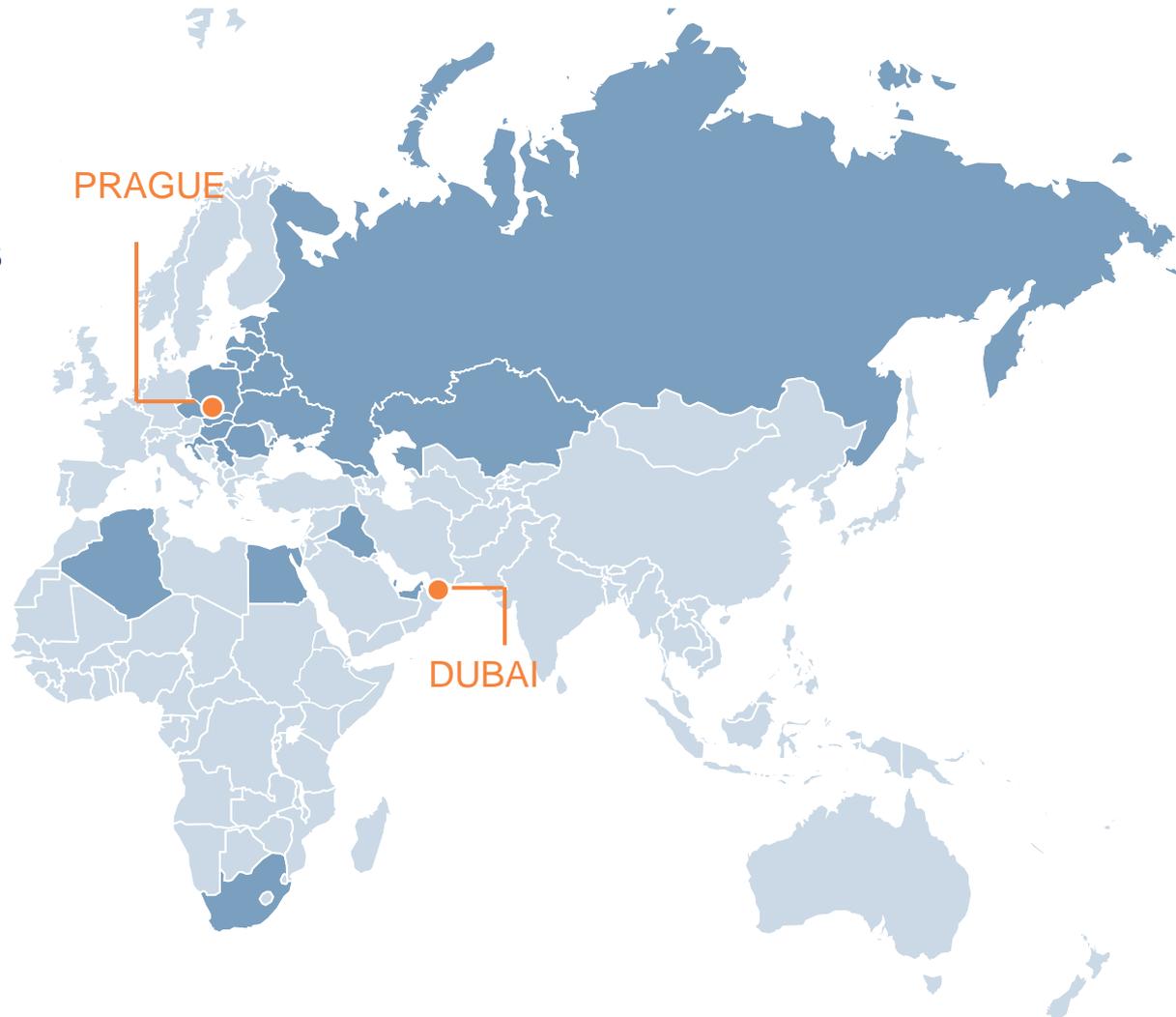
Headquarters in Cyprus

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

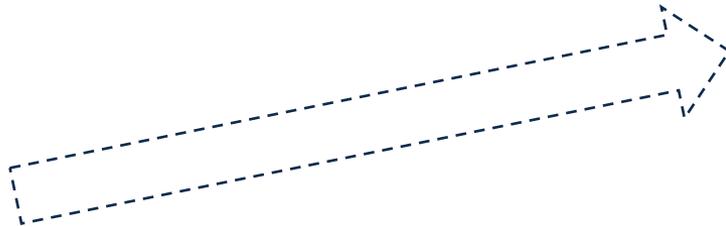
Subsidiaries in **24** countries, local presence in key countries

2 distribution centers (Prague, Dubai)

1,500 employees with expertise of local markets



A MOVE TOWARDS VALUE-ADD BUSINESS



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

Cloud Services

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

VAD

Value Add Distribution allows offering of services attached to products sold.

IoT

Internet of Things
Launched our third own brand – **Perenio** – in this field.

A BROAD PRODUCT PORTFOLIO

15,000 products in portfolio

Complete solutions for every customer in every market segment.

Prestigio and **Canyon** own brands 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

KEY 3Q '18 EVENTS

STRONG MONTHLY DATA

Strong double-digit
revenue estimates for
July–September 2018

Strong performance of
Apple business and two
large data center
projects

GUIDANCE

Publication of upgraded
FY 2018 guidance

DIVIDEND

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

3Q '18: AN EXCELLENT QUARTER

- Strong growth in revenues.
- Strong gross profit growth.
- SG&A costs under control.
- 100% YoY growth in net income.

REVENUES

US\$ 532.3 million

+43% YoY

GROSS PROFIT

US\$ 25.6 million

+28% YoY

GROSS PROFIT MARGIN

4.8%

NET INCOME

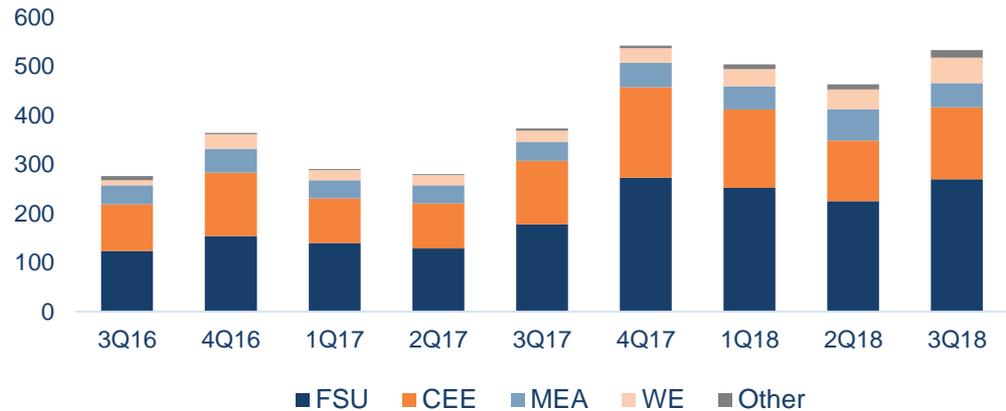
US\$ 4.2 million

+100% YoY

STRONG GROWTH IN ALL REGIONS

- Strong YoY growth in all FSU countries in 3Q '18. Share of FSU region reached almost 51% in 3Q '18 revenues
- Russia remained the No. 1 country while Ukraine followed
- CEE reached + 13% YoY growth, mainly driven by Slovakia
- MEA revenues grow steadily mainly in the GCC

REVENUES BY REGIONS (US\$ m)



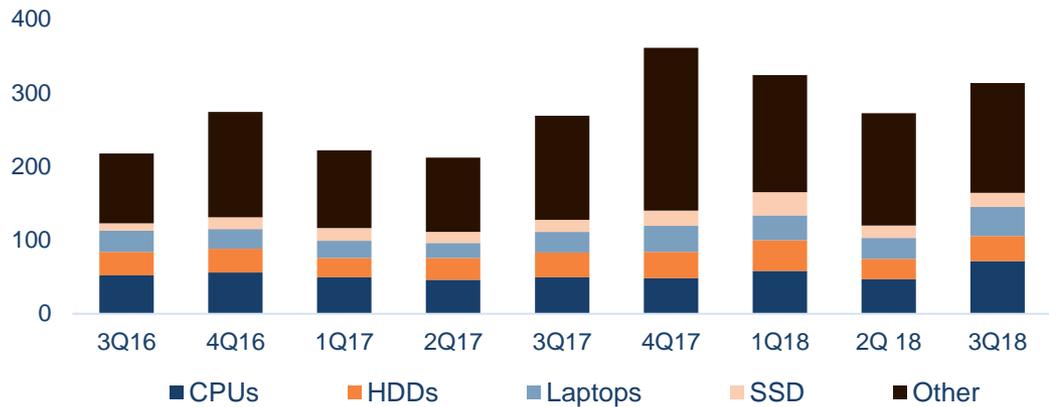
REVENUES BY REGIONS (US\$ m)

US\$ m	3Q '18	3Q '17	YoY
FSU	269.9	177.6	52%
CEE	146.6	129.2	13%
MEA	48.8	39.2	24%
WE	51.6	22.5	130%
Other	15.4	4.3	263%
TOTAL	532.3	372.8	43%

STRONG SMARTPHONE GROWTH

- Strong smartphones business driven by iPhone sales
- Significant market share in both CPUs and Accessories & Multimedia
- Laptops growth driven by demand for mobility

REVENUES BY LINES (US\$ m)



REVENUES BY LINES (US\$ m)

US\$ m	3Q '18	3Q '17	YoY
Smartphones	219.2	104.0	111%
CPUs	71.5	49.3	45%
Laptops	39.7	27.7	44%
Accessories & Multimedia	37.0	17.7	109%
HDDs	34.0	34.0	0%
Servers and server blocks	19.0	13.1	45%
TOTAL	532.3	372.8	43%

STRONG 3Q '18 RESULTS

- Strong growth in top-line and gross profit
- Gross profit margin at 4.80%
- Expenses under control despite growth in gross and net profitability
- Early payment discounts positively impacted financial income
- 100% growth of net income

US\$ m	3Q '18	3Q '17	YoY
Revenue	532.3	372.8	43%
Gross profit	25.6	20.0	28%
<i>Gross profit margin</i>	<i>4.80%</i>	<i>5.36%</i>	<i>-0.6 pp</i>
SG&A costs	17.2	13.4	28%
Profit from operations	8.4	6.6	27%
<i>Operating margin</i>	<i>1.57%</i>	<i>1.77%</i>	<i>- 0.2 pp</i>
Financial income	1.4	0.5	227%
Financial expenses	4.4	4.1	6%
Profit before tax	5.4	2.7	103%
Tax	1.2	0.6	113%
Profit for the period	4.2	2.1	100%
<i>Net margin</i>	<i>0.78%</i>	<i>0.56%</i>	<i>0.2 pp</i>

DOUBLE GROWTH OF NET INCOME IN 3Q '18.

ROBUST REVENUE GROWTH

- 3Q '18 revenues reached US\$ 532.m, up 43% YoY
- Gross profit margin reached 4.8% in Q3 '18. In Q3 '18 gross profit margin improved compared to previous quarters of 2018



SG&A COSTS GROW BELOW SALES

- 3Q '18 selling expenses grew at a slower pace than revenues
- Administration expenses grew in 3Q '18 by 28% 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 9M '18 RESULTS

- Strong top-line and gross profit growth
- Gross profit margin at 4.59%
- Expenses under control despite fast growth
- Early payment discounts positively impacted financial income
- 130% growth of net income

US\$ m	9M '18	9M '17	YoY
Revenue	1,498.5	943.1	59%
Gross profit	68.8	50.2	37%
<i>Gross profit margin</i>	<i>4.59%</i>	<i>5.32%</i>	<i>-0.7pp</i>
SG&A costs	51.3	35.7	44%
Profit from operations	17.5	14.5	21%
<i>Operating margin</i>	<i>1.17%</i>	<i>1.54%</i>	<i>-0.4pp</i>
Financial income	3.7	0.9	301%
Financial expenses	12.2	10.8	13%
Profit before tax	9.1	3.9	132%
Tax	2.0	0.8	137%
Profit for the period	7.1	3.1	130%
<i>Net margin</i>	<i>0.48%</i>	<i>0.33%</i>	<i>0.2pp</i>

**DOUBLING NET INCOME
FOR 9M '18.**

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 and improved operational efficiency
- The weighted average cost of debt decreased to 7.8% during 9M '18, versus 9.3% in 2017
- Ability of the Company to access financing remains very strong

US\$ m	9M '18	9M '17	YoY
Short term borrowings (no factoring)	79.0	78.2	1%
Factoring creditors	52.7	46.5	13%
Short term borrowings (incl. factoring)	131.7	124.7	6%
Long term interest bearing debt	0.1	0.2	-50%
Cash and equivalents	91.5	37.7	243%
Net debt (no factoring)	0	40.7	0%
Net debt (incl. factoring)	40.3	87.3	-46%

9M 2018 net debt/ equity

0x excl. factoring

0.4x 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
- Cash from operations for the 9M '18 has improved YoY by over U.S. \$ 18 million
- Group aims for positive cash from operations for FY 2018, despite strong revenue growth

NET WORKING CAPITAL (US\$ m)

NWC: 29% of sales



NWC: 44% of sales



■ Inventories ■ Trade receivables ■ Trade payables

US\$ m	9M '18	9M '17
Net cash from operating activities	-3.8	-22.0
Net cash from investing activities	-3.0	-1.3
Net cash from financing activities	2.8	5.7
Net movement in cash and cash equivalents	-4.1	-17.7

KEY DRIVERS OF 2018

FURTHER GROWTH IN APPLE

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

VAD SALES

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

MOBILE DEVICES

The need for mobility continues to exist and revenues from tablet and laptop sales are expected to continue to grow.

ACCESSORIES

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

OWN BRANDS

Increase in own brands, especially in the last quarter of 2018 when Perenio will start sales of Smarthome and Smart security sensors and other products coupled with new Prestigio and Canyon consumer product lines.

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.

ASBIS KEY STRENGTHS

A unique geographical presence across all Emerging Markets of EMEA.

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

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

ASBIS KEY RISK FACTORS

Political and economic stability in Europe and our regions.

The Group's ability to increase revenues and market share while focusing on profits

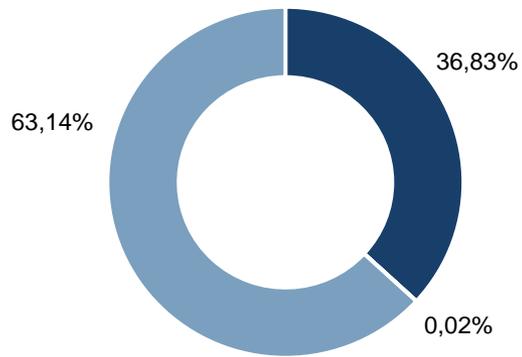
The Group's ability to increase gross profit margins

Currency volatilities

The Group's ability to control expenses and cover warranty claims from customers

The Group's ability to further develop its product portfolio, both third party and own brands

SHAREHOLDER STRUCTURE



- KS Holdings Ltd
- Treasury shares
- Free-float

	Number of shares & votes	% of share capital & votes
KS Holdings Ltd*	20,443,127	36.83%
Treasury shares	13,389	0.02%
Free-float	35,043,484	63.14%
TOTAL	55,500,000	100%

*Siarhei Kostevitch holds shares as the ultimate beneficial owner of KS Holdings Ltd

The Company has more than 63% 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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