

# ASBIS<sup>®</sup>

SUCCESS THROUGH FOCUS



## Q3 and 9M 2024 Presentation

**DESPITE THE DIFFICULTIES - WE STRIVE  
TO MEET THE FORECAST**

7 NOVEMBER 2024

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# ASBIS BUSINESS DIRECTIONS

ICT Distribution

**16,000**  
Resellers

ICT & IoT Solutions to Enterprises

Serve **19,000**  
Enterprises

ASBIS Robotic  
Solutions (AROS)

**8** solution  
categories

Consumer  
Distribution

Sell Thru  
**7,400** POS

Premium Retail  
Business Unit

**34** Apple stores  
**6** B&O stores

Trade-In Business  
Unit

**#1**  
in CIS

Corporate Venture  
Investments

**15**

# Key corporate events

## Breezy will cooperate with RTV EURO AGD chain in Poland

Breezy, a subsidiary of ASBIS signed a cooperation agreement with the RTV EURO AGD network in Poland.

September 2024

## ASBIS expanded its gaming brand Lorgar

ASBIS has doubled the number of product lines of its gaming brand Lorgar and entered the rapidly developing segment of racing games market.

October 2024

## Interim dividend payment

The BOD decided to pay an interim dividend from 2024 earnings of USD 0.20 per share.

November 2024

# Monthly estimated revenues

**+0.2%**

YoY sales growth in July 2024 despite difficult situation in our major markets.

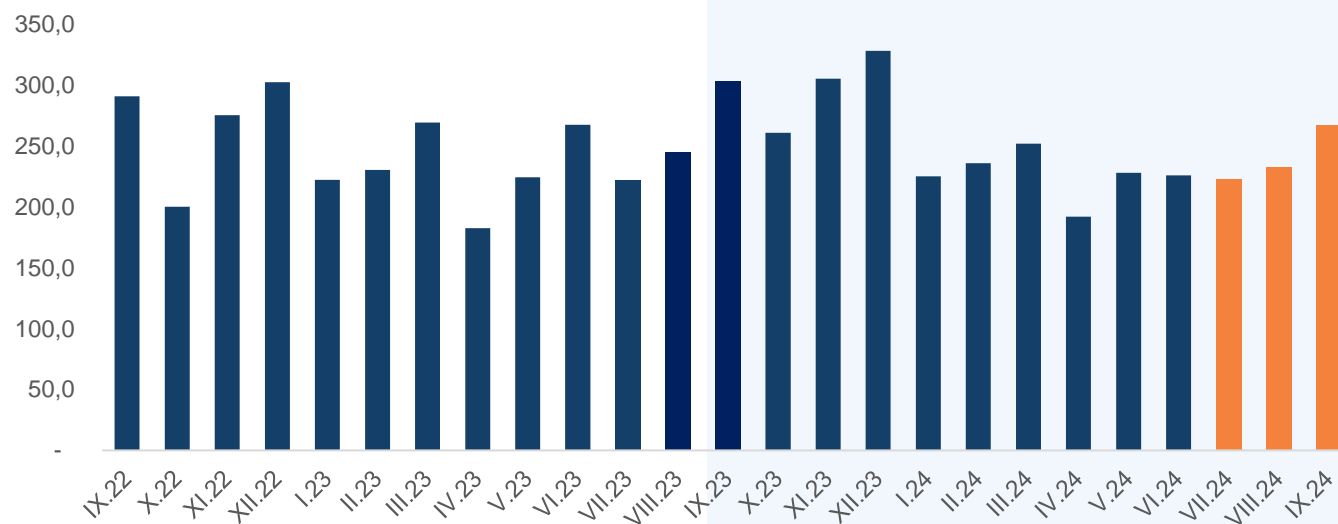
**-5%**

YoY sales decline in August 2024 – as a result of record-high revenues continuation of issues in KZ and UA.

**-12%**

YoY sales decline in September 2024 – the ongoing challenges we faced in KZ and other major markets led to decline.

MONTHLY REVENUES (US\$ m)





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# New market realities in Kazakhstan negatively affected our results in Q3 and 9M 2024

## The actions taken by ASBIS and authorities to address the issues in Kazakhstan:

- On August 14th the United States Agency for International Development (USAID) and U.S. Ambassador delivered advanced computer servers to the State Revenue Committee (SRC) of Kazakhstan.
- We are in a working group with suppliers and Kazakhstan authorities to implement solutions on importation of mobile devices .
- We consider extending the warranty of products to make consumers more aware of the difference between buying legally as opposed to purchasing from un-authorized sellers.
- We are working with financial institutions on financial instruments that will increase the purchasing power of customers.

## The impact on our revenues:

- in Q3 2024 revenues from Kazakhstan are down 39.3% YoY to USD 98.3m (from USD 161.9m in Q3 2023)
- in the 9M 2024 revenues from Kazakhstan are down 28.6% YoY to USD 345.3m (from USD 483.9m in the 9M 2023).

## Financial Highlights

REVENUES

**-6% YoY**

\$723 M

GROSS PROFIT

**-10% YoY**

\$55 M

GROSS PROFIT  
MARGIN

**7.64%**

**-57% YoY**

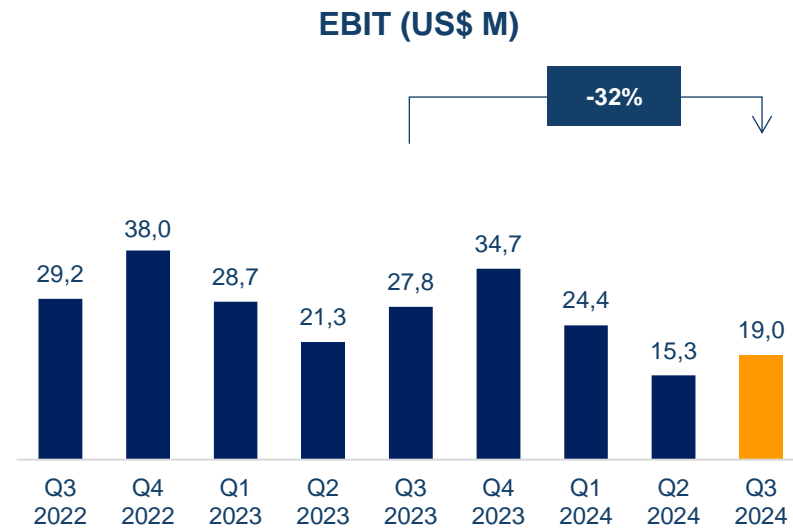
\$9.5 M

NET INCOME

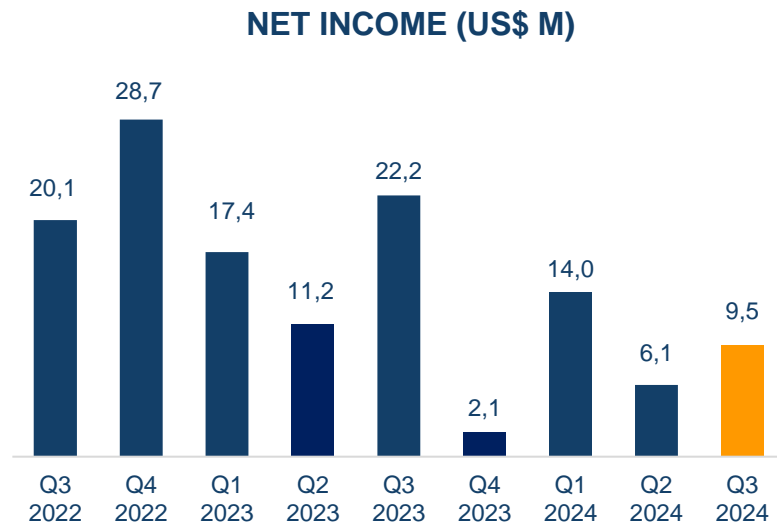
Another  
extremely  
demanding  
quarter

> Q3 2024

## EBIT AND NET INCOME negatively impacted by extremely difficult market conditions

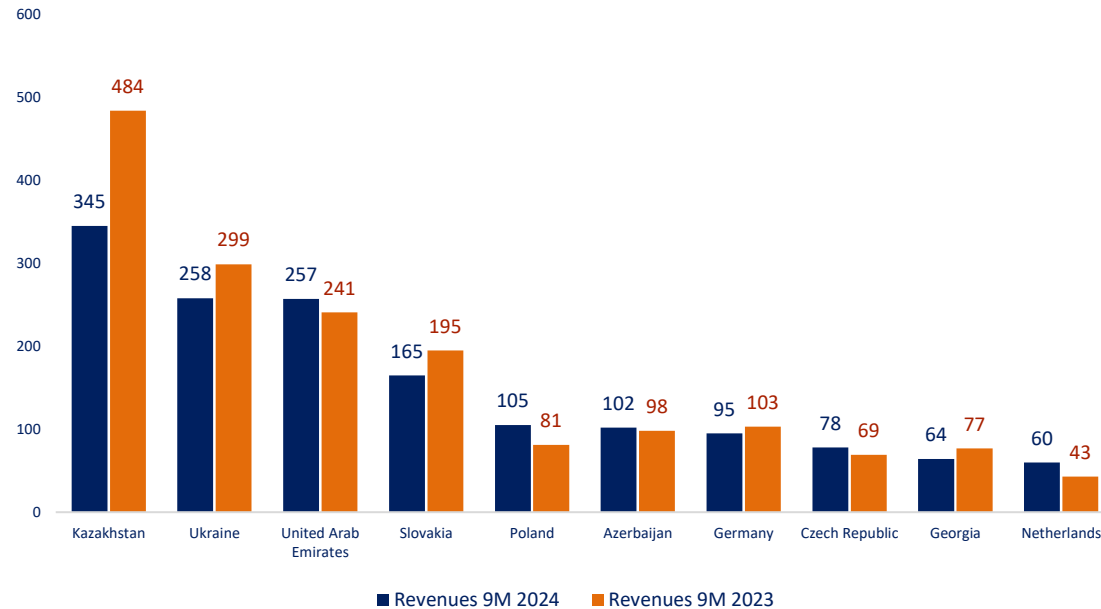


- EBIT of USD 19.0M in Q3 2024 vs USD 27.8M in Q3 2023.



- Lower net income negatively impacted by lower revenues, still high expenses, higher effective tax rate and weaker demand.

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



## Poland strengthens its position in the TOP 10

9M 2024 VS 9M 2023

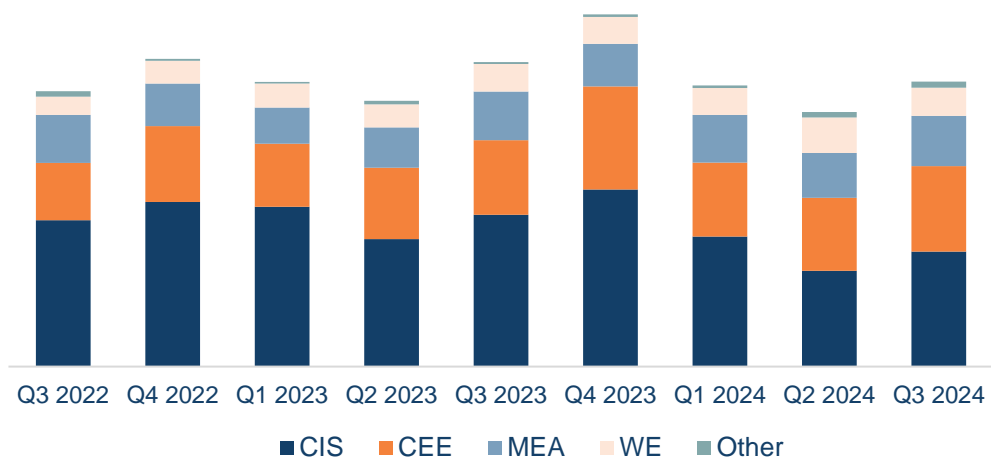
Kazakhstan still the biggest market of ours, despite huge challenges with the grey market.

Ukraine regained the second position among the largest markets.

United Arab Emirates has continued its growth delivering USD 257.2 mln in the 9M 2024.

Poland, our golden child delivered month-by-month extraordinary growth.

### REVENUES BY REGIONS (USD m)

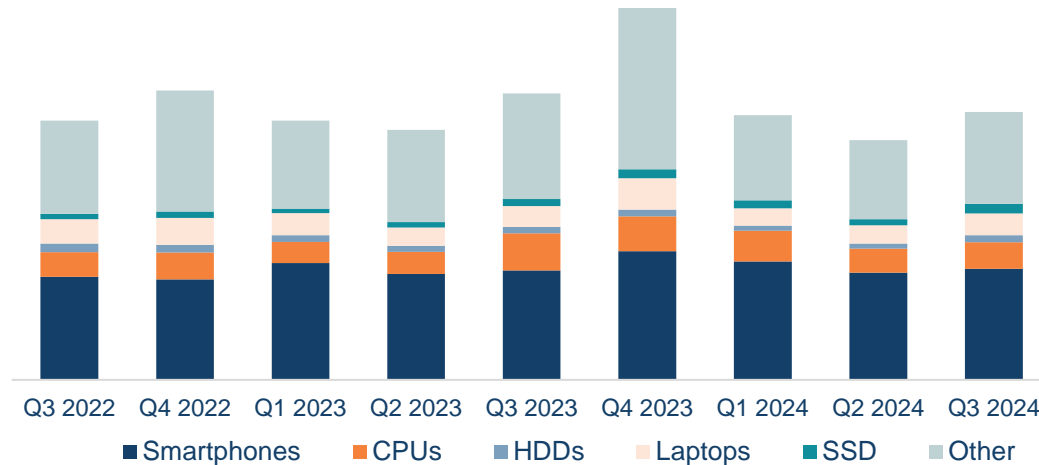


| US\$ m                             | Q3'24        | Q3'23        | YoY        |
|------------------------------------|--------------|--------------|------------|
| Commonwealth of Independent States | 291.7        | 385.2        | -24%       |
| Central and Eastern Europe         | 216.6        | 189.0        | 15%        |
| Middle East and Africa             | 127.5        | 123.6        | 3%         |
| Western Europe                     | 71.4         | 69.3         | 3%         |
| Other                              | 15.3         | 4.8          | 222%       |
| <b>TOTAL</b>                       | <b>722.5</b> | <b>771.8</b> | <b>-6%</b> |

## Q3 2024 the CIS region has negatively impacted revenues

- CIS (without BY and RU) and CEE regions contributed the majority of the Group's revenues.
- Decline in the CIS region caused by the new realities in Kazakhstan and intensification of hostilities in Ukraine.
- CEE region reached + 15% YoY growth, mainly driven by dynamic development in Poland and Czech Republic.
- MEA revenues grow steadily mainly in the GCC.

### REVENUES BY PRODUCT LINES (US\$ m)



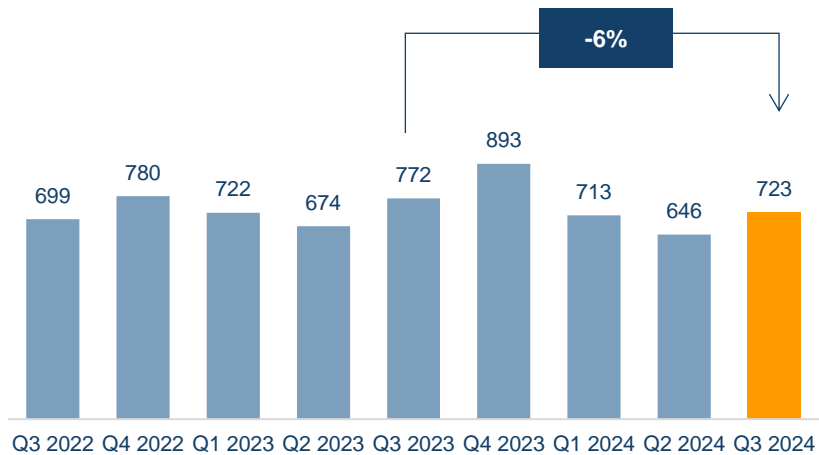
| US\$ m                    | Q3'24        | Q3'23        | YoY        |
|---------------------------|--------------|--------------|------------|
| Smartphones               | 298.9        | 295.0        | 1%         |
| CPUs                      | 70.2         | 100.0        | -30%       |
| Laptops                   | 58.9         | 56.4         | 4%         |
| Solid-state drives (SSDs) | 26.2         | 18.2         | 44%        |
| Hard disk drives (HDDs)   | 18.6         | 17.4         | 8%         |
| <b>TOTAL</b>              | <b>722.5</b> | <b>771.8</b> | <b>-6%</b> |

## Q3 2024 another record-high quarter for smartphones

- Debut of new models of iPhone 16 on some of the markets where we are an authorized distributor of Apple.
- Decline in CPUs due to a record high base in Q3 2023 and one off large projects of last year.
- Laptops business up 4% YoY continuing its recovery after a negative trend from the last two years.
- Exceptional growth in solid-state drives (SSDs) achieved thanks to strong demand across all our markets and increasing impact of AI.

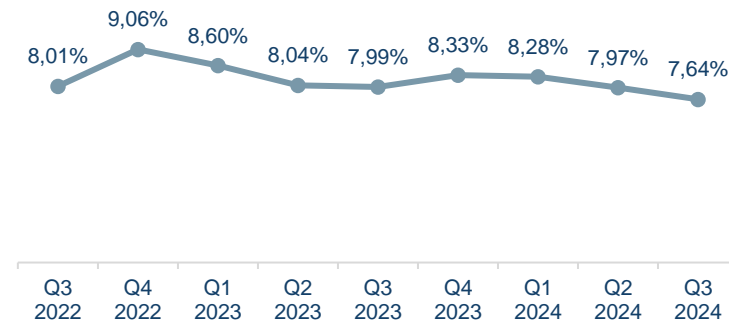
## Satisfactory gross profit margin

REVENUES (US\$ M)



- Revenues down 6.4% YoY mainly due to a strong decline in Kazakhstan in Q3 2024.
- On the contrary, in several markets like Poland, Czech Republic, Azerbaijan and other smaller markets, we have noticed a strong double-digit growth in Q3 2024.

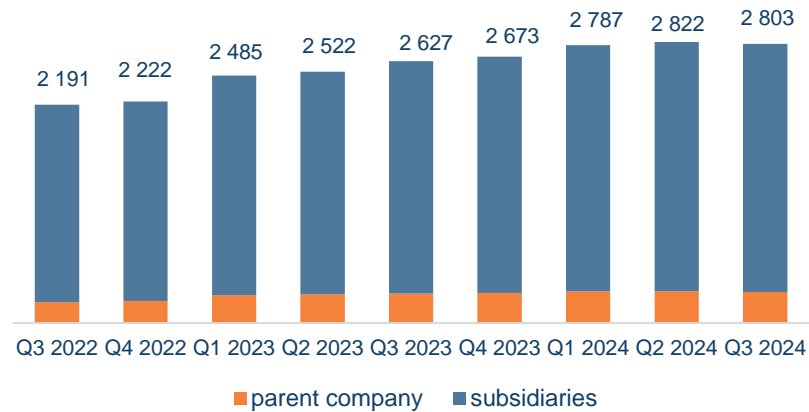
GROSS PROFIT MARGIN (%)



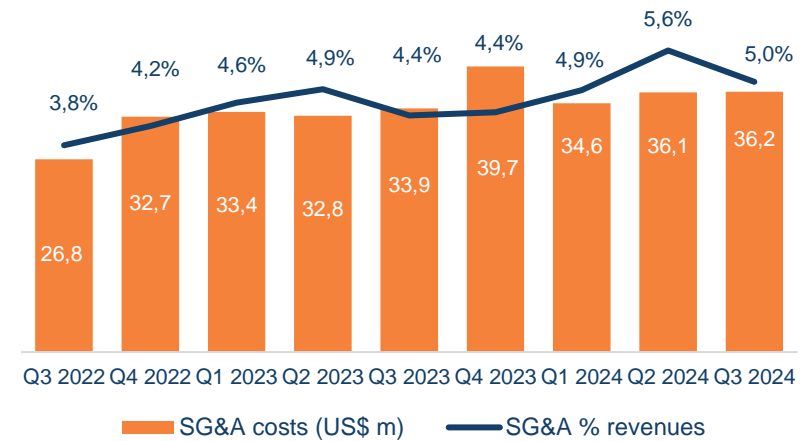
- Gross profit margin declined and reached 7.64% in Q3 '24 as a result of the pressure to offload goods in Kazakstan and dealing with unfair competition.
- The Directors consider the current level as satisfactory given the situation on major markets of ours and undertake all measures to maintain it at a higher level.

# SG&A costs

## NUMBER OF EMPLOYEES



## SG&A COSTS



The headcount decline results from the HR optimization process, in the divisions that have not achieved expected profits.

We will continue this process in Q4 and 2025 should we see that the optimizations made are insufficient.

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

## Extremely challenging Q3 and 9M 2024

Decline in top-line both in Q3 and the 9M 2024 mainly due to a grey market and new consumer legislation in Kazakhstan.



| US\$ m                        | Q3'24        | Q3'23        | YoY         |
|-------------------------------|--------------|--------------|-------------|
| <b>Revenue</b>                | <b>722.5</b> | <b>771.8</b> | <b>-6%</b>  |
| Gross profit                  | 55.2         | 61.7         | -10%        |
| <i>Gross profit margin</i>    | 7.64%        | 7.99%        | -0.35 ppt   |
| SG&A costs                    | -36.2        | -33.9        | 7%          |
| <b>Profit from operations</b> | <b>19.0</b>  | <b>27.8</b>  | <b>-32%</b> |
| <i>Operating margin</i>       | 2.63%        | 3.60%        | -0.97 ppt   |
| Financial income              | 0.4          | 0.5          | -28%        |
| Financial expenses            | -7.6         | -8.6         | -12%        |
| <b>Profit before tax</b>      | <b>11.7</b>  | <b>26.2</b>  | <b>-55%</b> |
| Tax                           | -2.2         | -3.9         | -44%        |
| <b>Profit for the period</b>  | <b>9.5</b>   | <b>22.2</b>  | <b>-57%</b> |
| <i>Net margin</i>             | 1.31%        | 2.88%        | -1.57 ppt   |

| US\$ m                        | 9M'24          | 9M'23          | YoY         |
|-------------------------------|----------------|----------------|-------------|
| <b>Revenue</b>                | <b>2,081.6</b> | <b>2,167.9</b> | <b>-4%</b>  |
| Gross profit                  | 165.8          | 177.9          | -7%         |
| <i>Gross profit margin</i>    | 7.96%          | 8.21%          | -0.24 ppt   |
| SG&A costs                    | -107.0         | -100.1         | 7%          |
| <b>Profit from operations</b> | <b>58.8</b>    | <b>77.8</b>    | <b>-24%</b> |
| <i>Operating margin</i>       | 2.82%          | 3.59%          | -0.77 ppt   |
| Financial income              | 1.1            | 1.8            | -39%        |
| Financial expenses            | -23.4          | -26.1          | -10%        |
| <b>Profit before tax</b>      | <b>36.6</b>    | <b>60.6</b>    | <b>-40%</b> |
| Tax                           | -7.0           | -9.7           | -28%        |
| <b>Profit for the period</b>  | <b>29.6</b>    | <b>50.9</b>    | <b>-42%</b> |
| <i>Net margin</i>             | 1.42%          | 2.35%          | -0.92 ppt   |

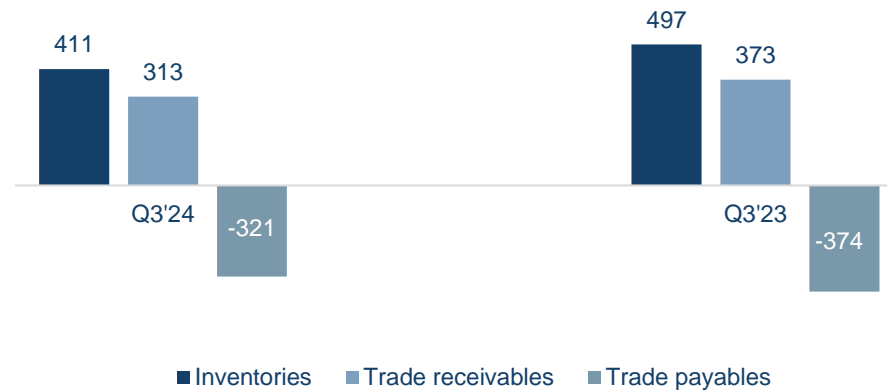
In Q3 2023 NPAT was positively impacted by USD 6 mln by the fixed asset sales.



## NET WORKING CAPITAL (US\$ m)

NWC: 19% of sales

NWC: 23% of sales



| US\$ m                                           | 9M2024       | 9M2023       |
|--------------------------------------------------|--------------|--------------|
| Net cash from operating activities               | -9.9         | -37.3        |
| Net cash from investing activities               | -12.8        | -4.0         |
| Net cash from financing activities               | -21.2        | -23.3        |
| <b>Net movement in cash and cash equivalents</b> | <b>-43.9</b> | <b>-64.6</b> |

## Cash engaged in working capital

- High NWC utilization results in the need to involve more cash.
- Inventories have significantly decreased year-on-year by more than USD 86 million
- Aiming to a positive "cash from operating activities" for the FY2024.

## Indebtedness at safe level

| US\$ m                                             | 30/09/24    | 30/09/23     | YoY         |
|----------------------------------------------------|-------------|--------------|-------------|
| Short term borrowings (excl. leases and factoring) | 131.6       | 137.7        | -4%         |
| Long term borrowings (excl. leases)                | 13.9        | 0.5          | -           |
| Other long-term liabilities                        | 0.9         | 1.0          | -5%         |
| Cash and cash equivalents                          | 106.2       | 74.4         | 43%         |
| Factoring creditors                                | 40.4        | 56.4         | -28%        |
| <b>Net debt (no factoring)</b>                     | <b>40.2</b> | <b>64.7</b>  | <b>-38%</b> |
| <b>Net debt (incl. factoring)</b>                  | <b>80.6</b> | <b>121.1</b> | <b>-33%</b> |

Strong increase in cash position in seasonally NWC intensive quarter.

The weighted average cost of debt for the 9M '24 lowered to 10.2%

At end of September 2024 net debt/equity at safe and low level

**0.1x**

EXCLUDING  
FACTORING

**0.3x**

INCLUDING  
FACTORING



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# Realization of the forecast for 2024

## RESULTS VS FORECAST

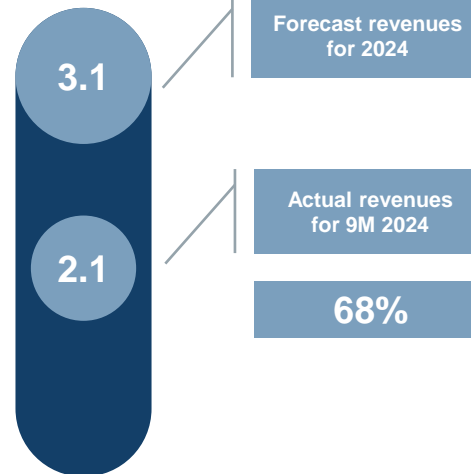
### NET INCOME

Between  
USD 60m and  
USD 64m

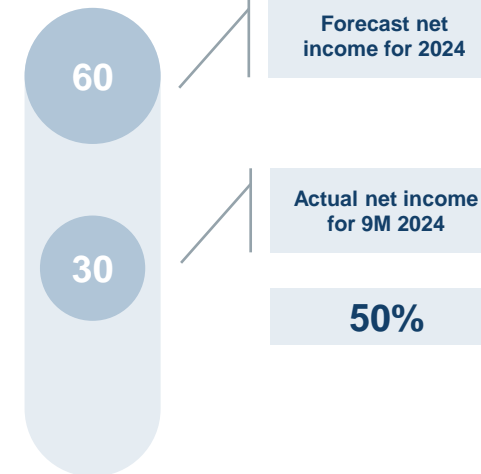
### REVENUE

Between  
USD 3.1bn and  
USD 3.4bn

### REVENUES (US\$ bn)



### NET INCOME (US\$ m)



Directors do their best to deliver the announced financial forecast for this year.



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At ASBIS we continue to strive for more. We will do our best to beat 2024 results in 2025.



## 2025 outlook

### PRODUCTS

- New Apple products introduction
- More emphasis on own brands
- Further development of Breezy and AROS
- More sustainable products

### MARKETS

- Continue focus on CIS countries
- Development in Western and Southern Europe
- Progressing expansion in Africa following new Apple introduction

### CLIENTS

- Continued focus on business customers
- More retail customers
- More Premium Retail Stores

### FINANCIAL

- Lower SG&A costs following cost-cutting optimization in non-efficient units
- Gross profit margin to maintain at higher level
- Lower financial costs
- Hefty dividend payment to be continued

# Key 2025 risks and opportunities



## RISKS

- Unstable geopolitical situation in Europe and Asia
- Illicit trading and new regulations
- Supply chain disruptions
- Volatile FX environment
- High interest rates
- Increasing inflation.

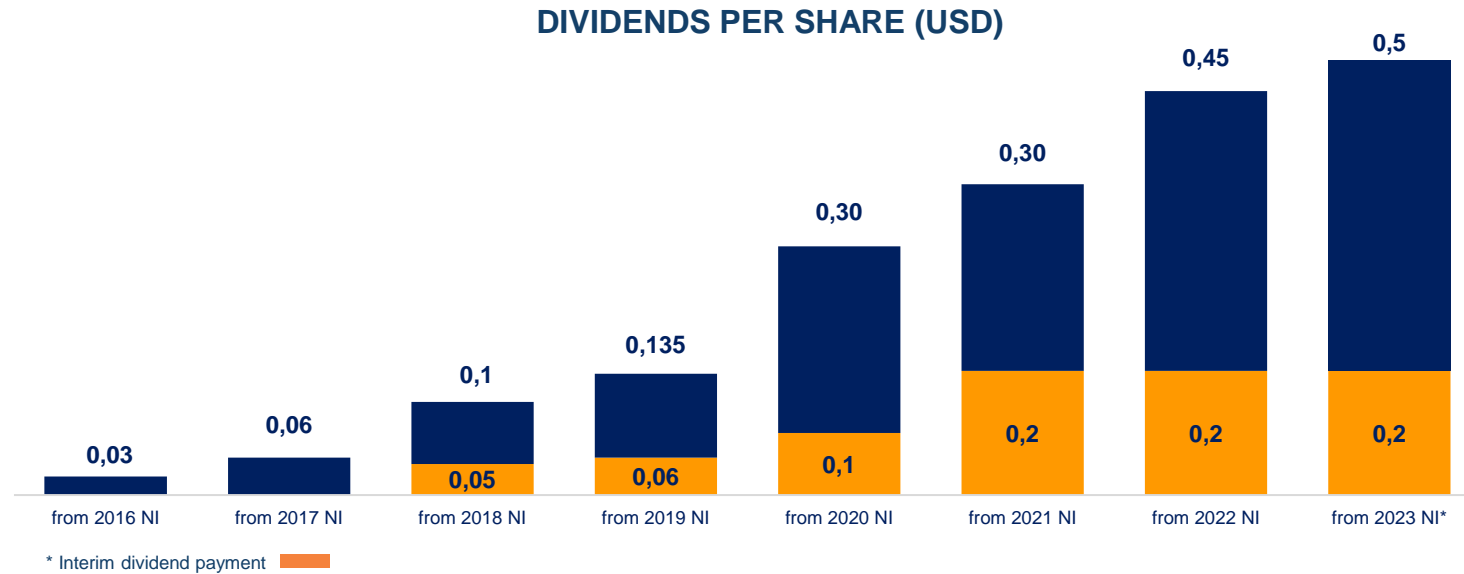


## OPPORTUNITIES

- Rebound in consumer demand
- New EU and government funds for IT programs
- Potential M&As
- Fast growing presence on new markets.

# Dividend payments to be continued

The Company aims to continue the payment of hefty dividends.



On the 6th of November, 2024 the Company decided to pay an interim dividend of USD 0.20 per share.

We aim to continue to pay dividends in 2 tranches.

The text "Q&A" is centered in a white square. To the left of this square is a solid orange vertical bar. The background of the slide is a grid of white and light blue squares, with a dark blue image of a server room at night visible in the right half.

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# Premium Retail Business

**34** 34 iSpace stores in 7 countries

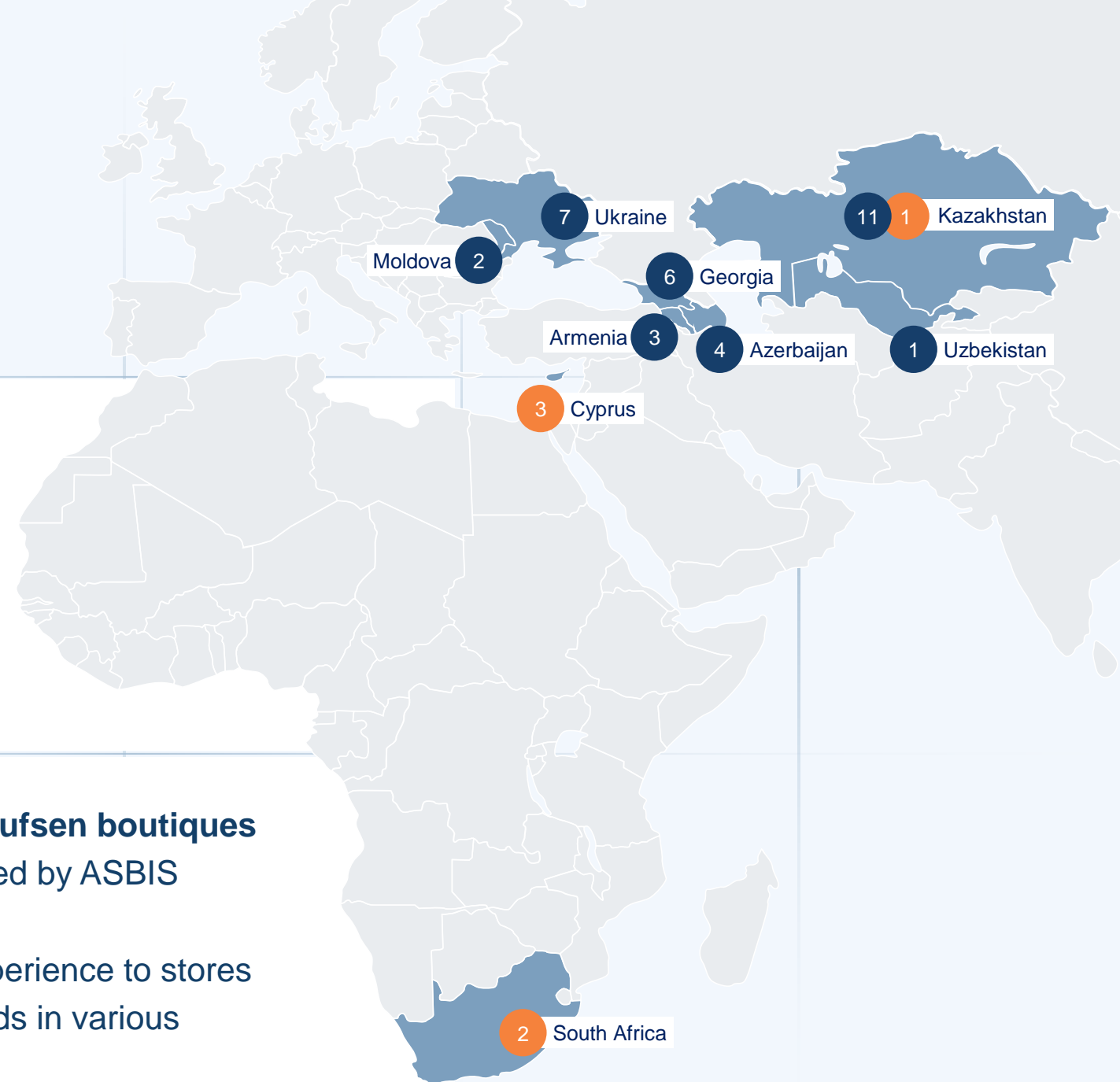
**6** 6 Bang & Olufsen stores in 3 countries

**iSpace**

**iSpace** is a network of premium retail stores and Apple's official partner with Apple Premium Partner status.

**B&O**

Premium Retail chain of **Bang & Olufsen boutiques** and **Prestigio Plaza stores** operated by ASBIS Group.  
From exclusive Bang & Olufsen experience to stores with electronics of world-class brands in various categories.



# ASBIS own brands

**Prestigio**  
SOLUTIONS

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**

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)



**LORGAR**

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



**Prestigio**

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)



**A E N O**

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



## AROS ENGINEERING

### Summary of 9M 2024

- AROS has continued implementing its new strategy meaning custom robotic applications focused on BEU (business end-user).
- AROS has invested in:
  - 3D modelling design software.
  - 3D simulation software.
  - Project planning software.
  - Custom robotic palletizing demo application, projected to be ready in Q1 2025.
- AROS plans to finished the construction of a new engineering factory in Greece in Q1 2025.



# Sustainable solutions for electronics

- Breezy launched a retail in Moldova and continued selling its refurbished gadgets there.
- Breezy started of refurbished iPhone sales in Ukraine and Kazakhstan.
- Breezy expanded its partnership network by adding RTV EURO AGD (Poland's leading electronics and home appliances retailer) and Kontakt (one of the largest appliance retailers in Azerbaijan).
- Breezy launched the Trade-In online service in Kazakhstan as part of its digital development strategy.

## Breezy in numbers

# 7

### Countries

of physical presence

# 200+

### Employees

Contribute to closed-loop economy

# 40+

### Partners

Included in Trade-In program

# 4500+

### Retail shops

In partners' stores network



# Shareholder structure



■ KS Holdings Ltd\* ■ Zbigniew Juroszek\*\* ■ Free-float

|                     | Number of shares<br>& votes | % of share capital<br>& votes |
|---------------------|-----------------------------|-------------------------------|
| KS Holdings Ltd *   | 20,448,127                  | 36.84%                        |
| Zbigniew Juroszek** | 2,797,625                   | 5.04%                         |
| Free-float          | 32,254,248                  | 58.12%                        |
| <b>TOTAL</b>        | <b>55,500,000</b>           | <b>100.00%</b>                |

As of : 2024-11-07

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

\*\* Zbigniew Juroszek together with related entities

Affiliation to  
indexes:





# Thank you

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