



ASBIS[®]

SUCCESS THROUGH FOCUS



**REVENUES AND EARNINGS
SMASHED EXPECTATIONS**

Q2 2020 RESULTS

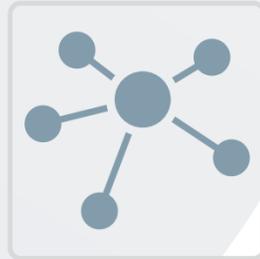
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Subsidiaries
in **27**
countries



20,000
active customers
in 56 countries



1,787
Employees



Revenue:
380 m\$



2
Distribution
centers



23,000
products
in portfolio



20 B2B e-shops
5 B2C e-commerce



over
240
vendors



60%
transactions
online



Local in 27 countries of EMEA

CEE

- Poland
- Czech Republic
- Slovakia
- Hungary
- Romania
- Bulgaria
- Serbia
- Bosnia
- Slovenia
- Croatia
- Cyprus

BALTIC

- Lithuania
- Latvija
- Estonia

FSU

- Belarus
- Russia
- Ukraine
- Kazakhstan
- Azerbaijan
- Georgia

MIDDLE EAST

- United Arab Emirates

AFRICA

- Morocco
- Algeria
- Tunis
- Egypt
- South Africa



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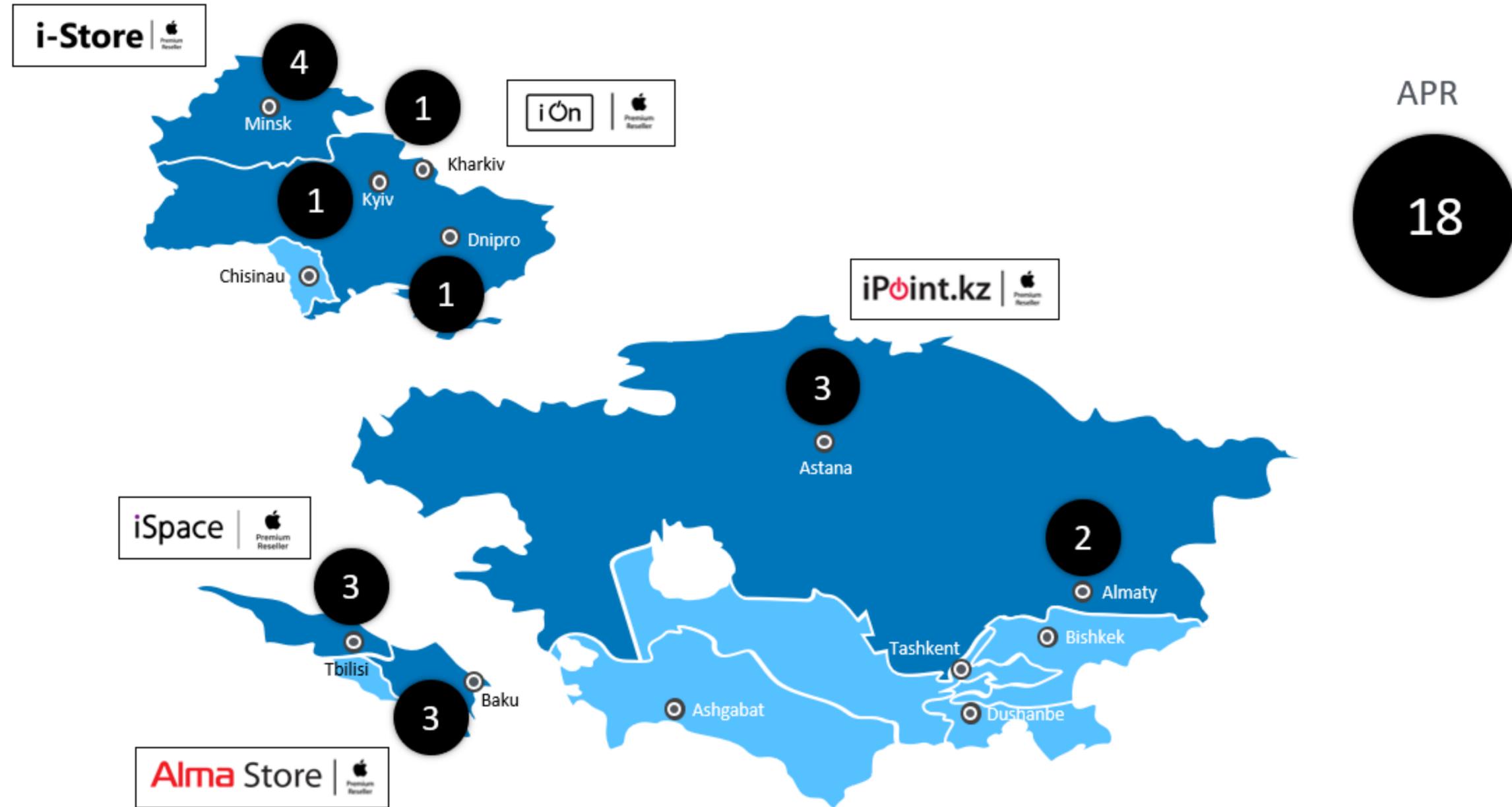
VISION:

Be the leading Value Add Distributor, OEM and Solutions Provider of IT, IoT, AI across CEE, FSU, MEA

MISSION represented by focus areas:

- Develop and Market IT, IoT, AI solutions
- Excel in Volume Distribution
- Great focus to Value Added Distribution
- Grow profitably Own Brands
- Manage risks and Zero regulatory issues

ASBIS APR INVESTMENTS



ASBIS OWN BRANDS

Prestigio
THE ART OF HI-TECH

Wide selection of electronics for home, education and business.

Prestigio products: televisions, tablets, laptops, smartphones, DVRs, Multiboards, interactive displays, electronic price tags and RFID-based technologies.

In 2019 world's first touchpad on keyboard Click&Touch appeared on the market.

www.prestigio.com


BE DIFFERENT. CATCH THE TREND.

Canyon is a dynamic lifestyle worldwide brand that offers a wide range of stylish and trendy multimedia, mobile accessories, and computer peripherals designed for youth.

Created in line with latest fashion trends the cutting edge accessories from Canyon help young people to express themselves and underline their individuality.

www.canyon.eu

perenio 
Intelligence at best

Perenio IoT is an innovative company that develops and manufactures building control and security systems.

The primary product is the Perenio building control system, a fully functional ecosystem for protecting your home and property.

www.perenio.com

FINANCIAL OVERVIEW

Q2 and H1 2020 FINANCIAL
RESULTS

FY 2020 OUTLOOK

GUIDANCE

BUY-BACK PROGRAM

DIVIDEND

Q2 2020 KEY EVENTS

EXCELLENT MONTHLY DATA

Excellent revenue estimates for April – June 2020.

Growth of the revenues in Q2 2020 despite ongoing pandemic crisis.

GUIDANCE

Publication of FY 2020 guidance.

Revenues: between
USD 2.0 – 2.2 bn
Net profit: between
USD 18.0 – 20.0 m

DIVIDEND

Payment of a final dividend from 2019 earnings.

The final dividend (US\$ 0.075 per share) was paid on June 4th 2020.

Q2 2020 EXCELLENT QUARTER

- Increase in revenues despite ongoing COVID-19 outbreak.
- Growth in gross profit.
- SG&A costs scaled with GP and under control.
- Stunning net income growth of 170% YoY.

REVENUES

US\$ 380 million

3% YoY

GROSS PROFIT

US\$ 21.9 million

4% YoY

GROSS PROFIT MARGIN

5.76%

NET INCOME

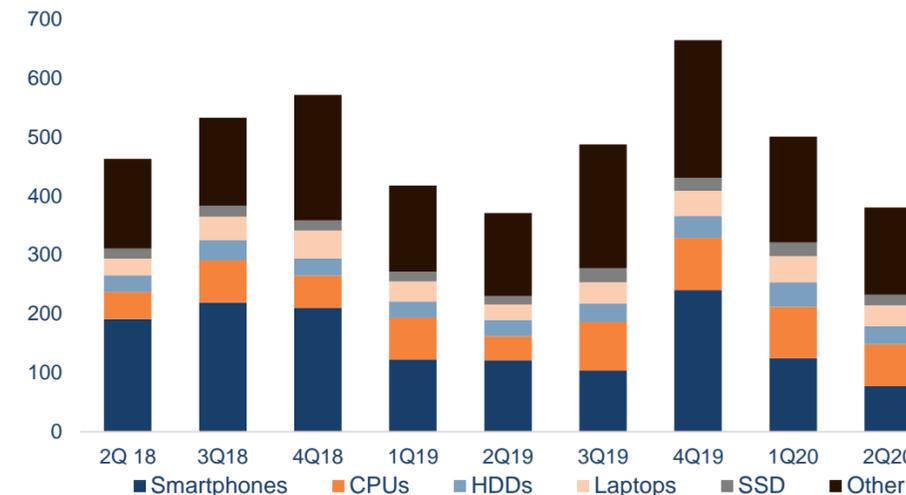
US\$ 2.5 million

170% YoY

Q2 2020 HIGH DEMAND FOR MULTIPLE PRODUCT LINES

- Decline in smartphones business as a result of the coronavirus pandemic combined with economic uncertainty.
- Strong market share in both CPUs and accessories & multimedia.
- Strong growth in all other product lines due to growing needs of consumer for systems regarding remote work and networking.

REVENUES BY LINES (US\$ m)



REVENUES BY LINES (US\$ m)

| US\$ m | Q2'20 | Q2'19 | YoY |
|---------------------------|--------------|--------------|-----------|
| Smartphones | 77.0 | 120.8 | -36% |
| CPUs | 71.2 | 41.1 | 73% |
| Accessories & multimedia | 49.3 | 40.6 | 21% |
| Laptops | 35.4 | 26.4 | 34% |
| HDDs | 30.7 | 27.6 | 11% |
| Servers and server blocks | 21.4 | 20.5 | 5% |
| TOTAL | 380.4 | 370.9 | 3% |

Q2 2020 EXCELLENT RESULTS

- Growth in top-line and gross profit.
- Gross profit margin increased and reached 5.76% in Q2'20.
- SG&A costs under control despite growth in gross and net profitability.
- 170% growth in net income YoY.

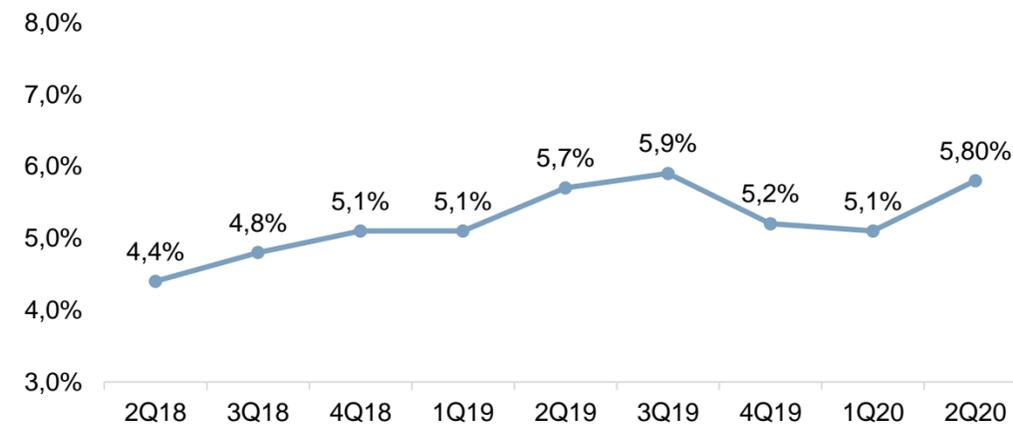
| US\$ m | Q2'20 | Q2'19 | YoY |
|-------------------------------|--------------|--------------|----------------|
| Revenue | 380.4 | 370.9 | 3% |
| Gross profit | 21.9 | 21.1 | 4% |
| <i>Gross profit margin</i> | <i>5.76%</i> | <i>5.68%</i> | <i>0.08ppt</i> |
| SG&A costs | -16.5 | -15.8 | 4% |
| Profit from operations | 5.4 | 5.3 | 3% |
| <i>Operating margin</i> | <i>1.43%</i> | <i>1.42%</i> | <i>0.01ppt</i> |
| Financial income | 0.5 | 0.1 | 267% |
| Financial expenses | -2.8 | -4.6 | -40% |
| Profit before tax | 3.2 | 0.9 | 246% |
| Tax | -0.7 | 0.0 | - |
| Profit for the period | 2.5 | 0.9 | 170% |
| <i>Net margin</i> | <i>0.65%</i> | <i>0.25%</i> | <i>0.40ppt</i> |

ALMOST TRIPLE NET INCOME
IN Q2 2020.

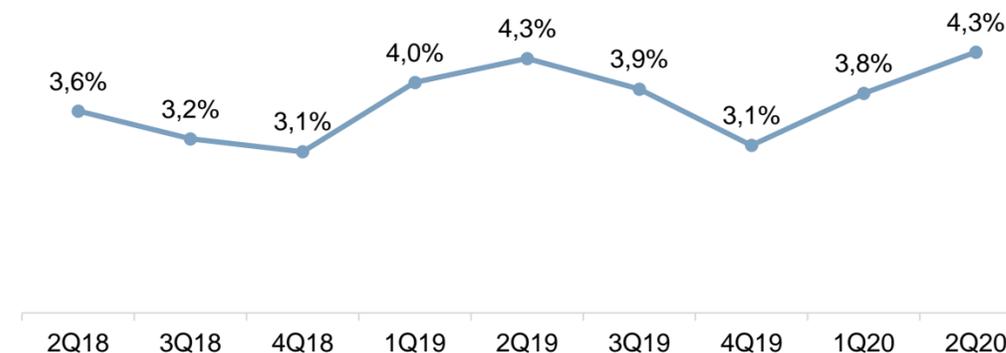
Q2 2020 POSITIVE TREND IN GROSS PROFIT MARGIN AND SG&A as % SALES CONTINUED

- Gross profit margin improved YoY and reached 5.8% in Q2'20.
- In Q2'20 gross profit margin continued a positive upward trend.
- Selling expenses decreased in Q2 '20 by 0.6% YoY.
- SG&A expenses grew by 4.4% YoY mainly due to higher GP, therefore higher variable expenses.
- In Q2'20 SG&A costs reached 4.3% YoY as a percentage of sales.

GROSS PROFIT MARGIN (%)



SG&A as % SALES



HIGH H1 2020 PROFITABILITY

- Strong growth in top and bottom lines.
- Gross profit margin improved and reached 5.37%.
- Lower YoY net financial costs due to decrease in the margin paid to financial institutions and lower base rates.
- Net income strongly improved and reached US\$ 4.7 m.

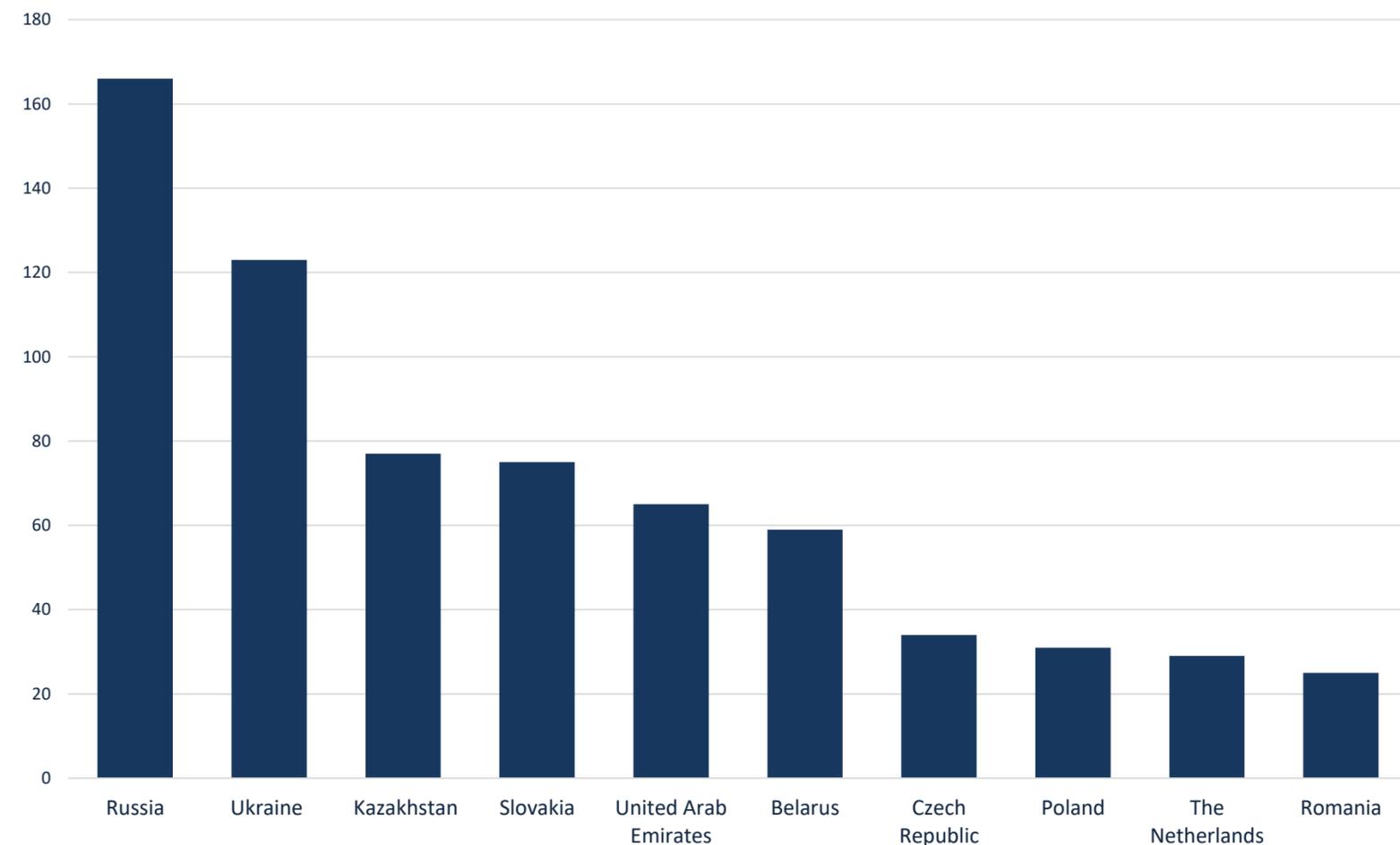
| US\$ m | H1'20 | H1'19 | YoY |
|-------------------------------|--------------|--------------|----------------|
| Revenue | 880.9 | 788.2 | 12% |
| Gross profit | 47.3 | 42.2 | 12% |
| <i>Gross profit margin</i> | <i>5.37%</i> | <i>5.35%</i> | <i>0.02ppt</i> |
| SG&A costs | -35.5 | -32.3 | 10% |
| Profit from operations | 11.8 | 9.9 | 20% |
| <i>Operating margin</i> | <i>1.34%</i> | <i>1.25%</i> | <i>0.09ppt</i> |
| Financial income | 1.3 | 1.5 | -17% |
| Financial expenses | -7.1 | -8.6 | -17% |
| Profit before tax | 6.2 | 3.1 | 99% |
| Tax | -1.5 | -0.5 | 190% |
| Profit for the period | 4.7 | 2.6 | 81% |
| <i>Net margin</i> | <i>0.53%</i> | <i>0.33%</i> | <i>0.20ppt</i> |

STRONG NET INCOME IN H1 2020.

H1 2020 TOP 10 COUNTRIES IN REVENUES

- Russia still remained the no. 1 country while Ukraine followed.
- Kazakhstan showed 39.3% YoY growth and reached top 3.
- Poland with more than US\$ 31.0 m in revenues, remained in top 10.

REVENUES BY COUNTRIES (US\$ m)



INDEBTEDNESS AT SAFE LEVEL

- Strong increase in cash position in seasonally NWC intensive quarter.
- Ability of the Company to access financing remains quite strong.
- The weighted average cost of debt came down to 7.3% in H1 2020 versus 7.6% in 2019.

| US\$ m | H1'20 | H1'19 | YoY |
|--|--------------|--------------|-------------|
| Short term borrowings (no factoring) | 61.2 | 106.1 | -42% |
| Factoring creditors | 30.2 | 28.8 | 5% |
| Short term borrowings (incl. factoring) | 91.4 | 134.9 | -32% |
| Long term interest bearing debt (no leases) | - | - | - |
| Cash and equivalents | 108.3 | 78.5 | 38% |
| Net debt (no factoring) | -47.1 | 27.6 | - |
| Net debt (incl. factoring) | -16.9 | 56.4 | - |

H'1 2020 net debt/ equity

-0.4x excl. factoring

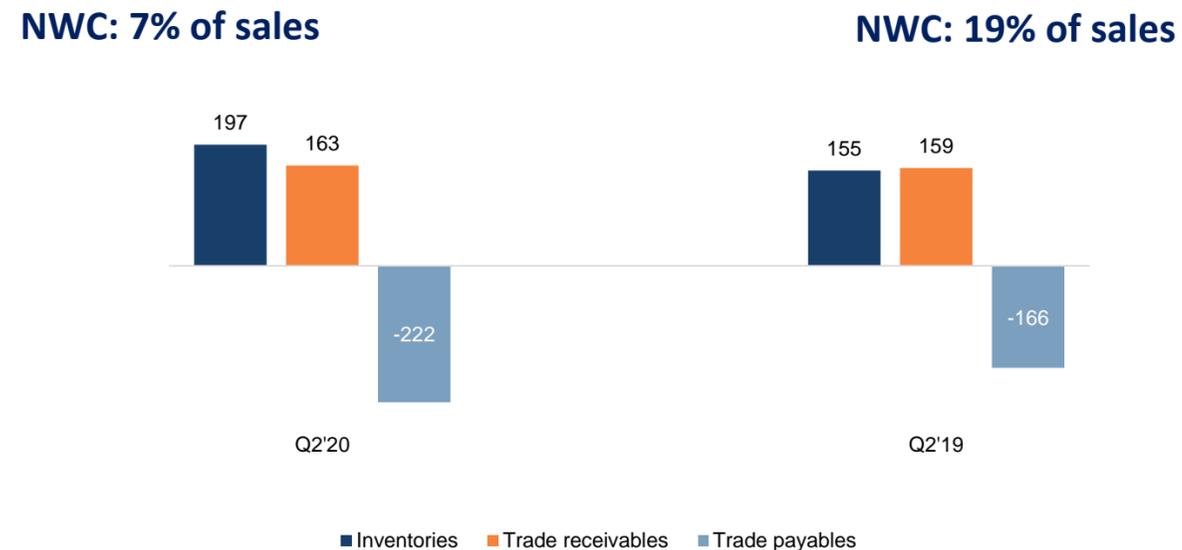
-0.2x incl. factoring

safe and low levels

CASH ENGAGED IN WORKING CAPITAL

- Strong 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.
- In H1'20 cash from operations was positive and improved by more than U.S.\$ 28 milion YoY.

NET WORKING CAPITAL (US\$ m)



| US\$ m | H1'20 | H1'19 |
|--|------------|--------------|
| Net cash from operating activities | 1.4 | -27.0 |
| Net cash from investing activities | -2.3 | -0,7 |
| Net cash from financing activities | 1.1 | -0.4 |
| Net movement in cash and cash equivalents | 0.3 | -28.2 |

2020 GUIDANCE

REVENUE

Between US\$ 2.0bn and US\$ 2.2bn

NET INCOME

Between US\$ 18.0m and US\$ 20.0m

ASSUMPTIONS

- No second wave of pandemic and another lockdown.
- A stable situation in key FSU markets and in key FSU currencies (not worse than in 2019).
- No significant disturbance in the general economic environment.
- A similar YoY competitive environment and favourable relations with key suppliers.
- No significant decrease in sales of high margin in products and solution (VAD) and Apple products.
- Smartphones segment will not deteriorate more than 15% in the markets we operate.

KEY DRIVERS OF 2020

**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 year with Data Centers and other projects is expected to be replicated but will also engage in the real VAD services.

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 to all markets we operate.

**TRADITIONAL
DISTRIBUTION**

Our core strengths are expected to play a leading role in 2020 and excel against competition in all product segments of the traditional components distribution.

OWN BRANDS

Having restructured Prestigio and together with a strong Canyon and a promising Perenio, the Company expects good contribution in revenue and profitability.

BUY BACK PROGRAM COMPLETED

Max. amount of money
\$ 300,000

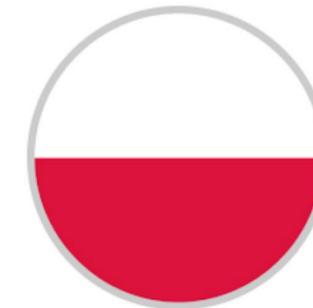


Max. amount of shares
500,000

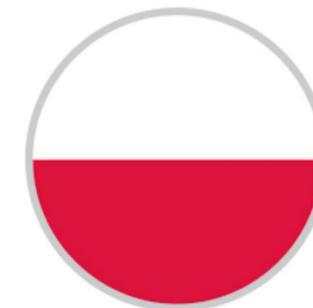


% of purchased shares

Max. price
PLN 3.0



Min. price
PLN 1.5



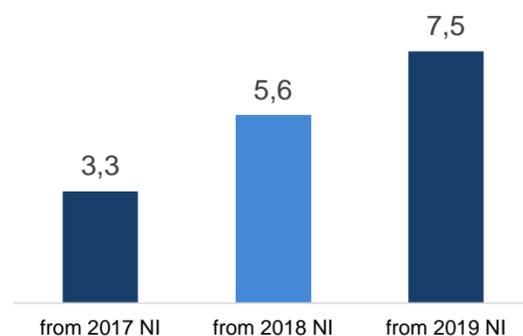
Time frame
July 2020



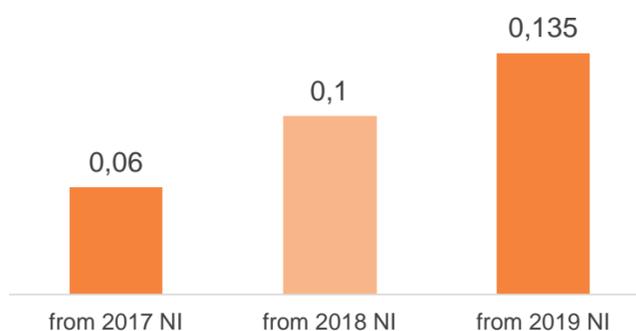
On July 15th, 2020 we completed the current buy-back program purchasing a total of 309,000 of own shares.

DIVIDEND HIT A NEW RECORD

DIVIDEND (USD m)



DIVIDEND PER SHARE (USD)



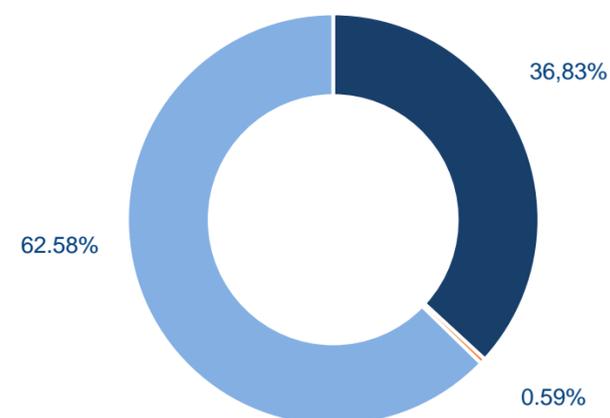
Our general dividend policy is to pay dividends at levels consistent with the Company's growth and development plans, while maintaining a reasonable level of liquidity.

The AGM on 6th May 2020 approved a dividend payment of USD 4.2m.

The total dividend from 2019 profits, including the interim dividend amounted to USD 0.135 per share, a total payment of USD 7.5m.

Our strong financial position allows for such a record dividend.

SHAREHOLDER STRUCTURE



- KS Holdings Ltd*
- Akcje własne
- Free-float

| | Number of shares & votes | % of share capital & votes |
|-------------------|--------------------------|----------------------------|
| KS Holdings Ltd * | 20,443,127 | 36.83% |
| Treasury shares | 325,389 | 0.59% |
| Free-float | 34,731,484 | 62.58% |
| TOTAL | 55,500,000 | 100.00% |

As of : 2020-08-12

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

We have more than 62% free-float.



ASBIS®

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