Agenda

- Summary Q3 2017
- Financial results Q3 2017
- Outlook 2017
Summary Q3 2017
Summary Q3 2017 – major events

**Strong position in the CEE region**

- **Stable 25% share** in the domestic IT distribution market
- **Increase in sales revenue** in the majority of markets (YoY)
- **High margin on sales** in all CEE markets
- Further **mobile** area development – launching distribution in Romania and in the Baltic states
- **New contracts** in the CEE region and strengthening the existing cooperation with Vendors

**Strategy implementation**

- One of the **highest margins** in the market: 6.2% in Q1-Q3 2017
- Further investment in **e-commerce**: new functionalities of m-InterLink, Reseller Web and Interlink platforms
- Consistent development of **ABC Data Cloud platform**
- Retained position of a **leading Apple distributor in Poland** (iSource)
- **High sales growth rate** of products from the current portfolio
Summary – financial results

Q1-Q3 2017

**EBITDA**

**PLN 30.8 million**

EBITDA vs PLN 19.0 million in Q1-Q3 2016*

**EBIT**

**PLN 26.9 million**

EBIT vs PLN 17.2 million in Q1-Q3 2016*

**Net profit**

**PLN 14.0 million**

Net profit vs PLN 7.9 million in Q1-Q3 2016*

Q3 2017

**EBITDA**

**PLN 15.7 million**

EBITDA vs PLN 6.9 million in Q3 2016

**EBIT**

**PLN 14.3 million**

EBIT vs PLN 6.3 million in Q3 2016

**Net profit**

**PLN 9.2 million**

Net profit in Q3 2017 vs PLN 2.9 million in Q3 2016

* Result after the exclusion of Bizneslink CO sp. z o.o. transaction in Q1 2016
Summary - sales

**Sales revenue**

<table>
<thead>
<tr>
<th>Period</th>
<th>Sales Revenue (PLN billion)</th>
<th>Change vs Q1-Q3 2016</th>
<th>Change vs Q3 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-Q3 2017</td>
<td>3.031</td>
<td>-9%</td>
<td>+17%</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>1.117</td>
<td>+2%</td>
<td>+6%</td>
</tr>
</tbody>
</table>

**Margin**

<table>
<thead>
<tr>
<th>Period</th>
<th>Margin (%)</th>
<th>Change vs Q1-Q3 2016</th>
<th>Change vs Q3 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-Q3 2017</td>
<td>6.2%</td>
<td>-9%</td>
<td>+17%</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>6.0%</td>
<td>+2%</td>
<td>+6%</td>
</tr>
</tbody>
</table>

Consistent elimination of low-margin transactions

Gross profit increase
Business synergies – merging Braodline and VAD approach

Core Business

Cooperation with key vendors

SONY  Lenovo  Microsoft  Canon  RAZER  Panasonic  xerox

E-Commerce

m-InterLink

Web Service Gateway XML

Cloud

MOBILE

Value Added Distributor

VAD

Value Added Distribution

Broadline Distribution

Fulfillment distribution

Core Business

Value Added Distributor

E-Commerce

Cloud

Mobile

LOGISTICS
New contracts and strengthening the existing cooperation (selected examples)
Key growth areas in Poland

### Mobile
- ABC Data is a leading distributor of the most popular mobile device brands
- A 60% market share in the distribution market for telecom operators
- Dynamic sales development of Xiaomi in Poland and in the CEE region
- Retained position of a leading Apple distributor in Poland (iSource)
- Systematic increase in sales among key producers (Huawei, Xiaomi, Apple)

### E-commerce
- Further investments in the development of platforms
- New functionalities in m-InterLink (growing number of installations)
- InterLink – functional and layout changes

### Cloud
- Constant increase in the number of registered and active customers
- Broadening the offer of cloud solutions and service providers
- Training resellers with regard to cloud solutions
- Enabling resellers to add to ABC Data Cloud self-developed cloud solutions

### VAD
- High sales growth rate of products from the current portfolio
- Investments in the development of new product lines
- New distribution contracts
- Strengthening the existing cooperation
Xiaomi – dynamic sales development

**60%** increase in sales Q3 2017 vs Q2 2017

**7.5%** share of Xiaomi smartphones in the Polish retail market

**7.1%** share of Xiaomi smartphones in the Lithuanian market (5.3% share across the Baltic states)

- Launching distribution in Romania
- **Consistent expansion of product portfolio** (incl. air fresheners, car chargers, Bluetooth headphones, smart scales)
- Launching cooperation between Xiaomi and Carrefour in Poland – dedicated spaces for product display in shops
- Establishing sales channels in other countries of the CEE region
- Focus on establishing cooperation with other operators in Poland

The Golden Partner Award granted to ABC Data by Xiaomi.
Strong position in the CEE region

High margin on sales in CEE markets

Increase in sales revenue in the majority of markets (YoY)

Romania
- Increase in sales revenue in Q3 2017 (+6% YoY)
- Xiaomi products launching
- Expansion of sales channels
- Increase in the number of active customers

Hungary
- Increase in sales revenue in Q3 2017 (+11% YoY)
- The most significant increase in the sale of mobile components, consumer electronics and white goods
- New contract with a key retail network

Baltic states
- Increase in sales revenue in Q3 2017 (+7% YoY)
- Sales development of Xiaomi products (Lithuania, Latvia and Estonia) (5.3% share across the Baltic states)
- Large increase in the sale of white goods
- New distribution contracts

Czech Republic and Slovakia
- Expansion of sales channels – cooperation with DIY and retail networks
- Increase in the sale of consumer electronics, white goods, gaming gear
- Expansion of the product range

Distribution centres: Warsaw, Sosnowiec, Budapest, Bucharest
Financial results Q3 2017
# Selected consolidated data Q1-Q3 2015, 2016 and 2017

(in PLN thousands)

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q3 2015</th>
<th>Q1-Q3 2016</th>
<th>Q1-Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,365,906</td>
<td>3,315,237</td>
<td>3,031,293</td>
</tr>
<tr>
<td>Gross profit on sales</td>
<td>181,350</td>
<td>175,332</td>
<td>187,005</td>
</tr>
<tr>
<td>Gross profit on sales (%)</td>
<td>5.4%</td>
<td>5.3%</td>
<td>6.2%</td>
</tr>
<tr>
<td>EBITDA / Adjusted EBITDA*</td>
<td>47,753</td>
<td>25,422/19,002*</td>
<td>30,816</td>
</tr>
<tr>
<td>EBITDA (%) / Adjusted EBITDA (%)*</td>
<td>1.4%</td>
<td>0.8%/0.6%*</td>
<td>1.0%</td>
</tr>
<tr>
<td>Net profit / Adjusted net profit*</td>
<td>31,800</td>
<td>13,102/7,902*</td>
<td>14,004</td>
</tr>
<tr>
<td>Net profit % / Adjusted net profit %*</td>
<td>0.94%</td>
<td>0.40%/0.26%*</td>
<td>0.46%</td>
</tr>
</tbody>
</table>

* Bizneslink CO sp. z o.o. transaction in Q1 2016
### Selected consolidated data Q3 2015, 2016 and 2017

(in PLN thousands)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2015</th>
<th>Q3 2016</th>
<th>Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,020,940</td>
<td>1,091,343</td>
<td>1,117,257</td>
</tr>
<tr>
<td>Gross profit on sales</td>
<td>52,066</td>
<td>61,780</td>
<td>66,891</td>
</tr>
<tr>
<td>Gross profit on sales (%)</td>
<td>5.1%</td>
<td>5.7%</td>
<td>6.0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>8,749</td>
<td>6,889</td>
<td>15,661</td>
</tr>
<tr>
<td>EBITDA (%)</td>
<td>0.9%</td>
<td>0.6%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Net profit</td>
<td>4,958</td>
<td>2,855</td>
<td>9,249</td>
</tr>
<tr>
<td>Net profit %</td>
<td>0.5%</td>
<td>0.3%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Net debt</td>
<td>96,047</td>
<td>96,602</td>
<td>109,429</td>
</tr>
</tbody>
</table>
Gross margin on sales (in PLN thousands)

One of the highest margins on the Polish IT distribution market

- 5.9% in Q1 2017
- 6.7% in Q2 2017
- 6.0% in Q3 2017
- 6.3% in H1 2017
- 6.2% in Q1-Q3 2017

Activities increasing the margin

- Elimination of low-margin transactions
- Efficient ROS management in the traditional broadline model
- Enhancement of VAD area featuring higher margins
Factors influencing the increase of costs:

- Result of the S4E S.A. consolidation
- Higher expenses (transport, etc.)

Activities aimed at reducing the costs:

- Product structure optimisation
- Sales channels optimisation

Reduction of general administrative expenses (excl. S4E S.A.)
Q1-Q3 2017 vs Q1-Q3 2016

Reduction of selling expenses (excl. S4E S.A.)
Q1-Q3 2017 vs Q1-Q3 2016
Financial results
(in PLN thousands)

**EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q3 2015</th>
<th>Q1-Q3 2016</th>
<th>Q1-Q3 2017</th>
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<tbody>
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<td>47,753</td>
<td>25,422</td>
<td>30,816</td>
</tr>
<tr>
<td>Q1-Q3 2016</td>
<td></td>
<td>6,420*</td>
<td></td>
</tr>
<tr>
<td>Q1-Q3 2017</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Net profit**

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q3 2015</th>
<th>Q1-Q3 2016</th>
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<td>13,102</td>
<td>14,004</td>
</tr>
<tr>
<td>Q1-Q3 2016</td>
<td></td>
<td>5,200*</td>
<td></td>
</tr>
<tr>
<td>Q1-Q3 2017</td>
<td></td>
<td>7,902</td>
<td></td>
</tr>
</tbody>
</table>

**Factors affecting the financial results**

- Higher gross profit – elimination of low-margin transactions
- S4E S.A consolidation result

* Bizneslink CO sp. z o.o. transaction in Q1 2016
Level of debt ratios
(in PLN thousands)

Q3 2013 | 3Q 2014 | 3Q 2015 | 3Q 2016* | 3Q 2017
---|---|---|---|---
Consolidated EBITDA 12M | 79,329 | 71,545 | 67,273 | 96,602 | 45,812
Consolidated net debt | 130,224 | 170,135 | 96,047 | 96,602 | 109,429
Net debt/ EBITDA | 1.64 | 2.38 | 1.43 | 2.40 | 2.39

* EBITDA adjusted by Bizneslink CO sp. z o.o. transaction in Q1 2016
Turnover ratios (in days)

- Significant improvement in the cash conversion cycle – reduced by 3 days
- Improved turnover cycle – reduced by 2 days
## Selected balance sheet data

(in PLN thousands)

<table>
<thead>
<tr>
<th>Ongoing activity</th>
<th>3Q 2015</th>
<th>3Q 2016</th>
<th>3Q 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>399,498</td>
<td>491,144</td>
<td>433,591</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>436,465</td>
<td>515,154</td>
<td>536,962</td>
</tr>
<tr>
<td>Trade and other liabilities</td>
<td>514,600</td>
<td>713,806</td>
<td>665,207</td>
</tr>
<tr>
<td>Working capital</td>
<td>321,363</td>
<td>292,492</td>
<td>305,346</td>
</tr>
<tr>
<td>% of 12M sale</td>
<td>6.42%</td>
<td>6.09%</td>
<td>6.58%</td>
</tr>
<tr>
<td>Financial debt</td>
<td>140,626</td>
<td>153,875</td>
<td>154,599</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>44,579</td>
<td>57,273</td>
<td>45,770</td>
</tr>
<tr>
<td>Net debt</td>
<td>96,047</td>
<td>96,602</td>
<td>109,429</td>
</tr>
<tr>
<td>EBITDA 12M</td>
<td>67,273</td>
<td>46,694</td>
<td>45,812</td>
</tr>
<tr>
<td>Net debt/EBITDA 12M</td>
<td>1.43</td>
<td>2.07</td>
<td>2.39</td>
</tr>
</tbody>
</table>
Competitive advantage

Risk management – the best procedures in the industry

- Internal procedures for risk measurement and management
- Consistent elimination of transactions that do not meet internal standards and procedures
- The highest level of care to ensure safety and integrity of business

Response to the market challenges

- Dynamic development of key areas: e-commerce, VAD and Cloud
- Development of the mobile area in the CEE region – new contracts with Xiaomi

Optimal amount of cash in the Company

- Change in the Group cash management model due to the changing market situation consisting in the use of short-term external financing; and thus, maintaining the optimal amount of cash in the Company
- Focus on the execution of high-margin transactions
03

Outlook 2017
Financial forecast for ABC Data Group for the year 2017

**Sales revenue**
- **68%** of forecast performed in 2017
- PLN 4,468,231 thousand (forecast)
- PLN 4,926,737 thousand (2016)
- PLN 3,031,293 thousand

**EBITDA**
- **61%** of forecast performed in 2017
- PLN 50,553 thousand (forecast)
- PLN 50,553 thousand (2016)
- PLN 30,816 thousand

**Net profit**
- **51%** of forecast performed in 2017
- PLN 27,691 thousand (forecast)
- PLN 27,691 thousand (2016)
- PLN 14,004 thousand
Advance dividend payment

Terms for the payment of advance dividend for 2017

Financial condition: PLN 27.8 million of net profit after Q3 2017

Approval of the Supervisory Board of the Company

Net profit achieved in H1 2017 (auditor's report)

Approval of the GM and creation of a reserve for the advance

Decision of the Company’s GM and registration of the amendment to the Articles of Association of the Company in the Register of Entrepreneurs of the National Court Register

9.9%
the highest average dividend rate in Poland in the years 2011-2015

PLN 189 million
dividend paid in the years 2011-2015

* The company did not pay a dividend for 2016.
** By the end of 2017, the company plans to make an advance dividend payment for 2017 in the amount of PLN 10 million.
Thank you for your attention

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