

Warsaw, 29 October 2018

Press release

**In the third quarter of 2018, ABC Data generated a sales revenue of over PLN 1.1 billion and EBITDA of over PLN 11 million**

In the third quarter of 2018, the company maintained its last year's level of revenues in the amount of nearly PLN 1.1 billion. The overall sales results have been positively influenced by sales in the hardware (especially computers and peripheral devices) and value-added segments. Sales in the gaming and mobile segment also maintained a high level, especially when it comes to smartphones by Apple and Xiaomi.

Compared to the third quarter of 2017, there was a drop in sales of components, due to limitation of the global supply of processors (because of their limited availability) and graphics cards (the effect of high baseline resulting from the "cryptocurrency boom"). In total, thanks to the aforementioned factors, in the first three quarters of 2018, the Group managed to generate a revenue of almost PLN 3.1 billion, which means a 2% y/y increase.

In the third quarter, the sales margin generated by ABC Data Group amounted to 5.5%, which means that it remained unchanged compared to the corresponding period last year. The cumulative gross margin for the quarters one to three amounted to PLN 166.6 million, compared to PLN 171.8 million in 2017. The EBITDA for the third quarter of 2018 amounted to over PLN 11 million and was lower by PLN 4.5 million than a year before, as its level was influenced by higher labor and transportation costs. Currently, the Company is developing projects to automate processes and increase efficiency, which will be one of its priorities for 2019. The cumulative EBITDA for the quarters one to three, adjusted for the impact of one-off events that took place in the first half of the year, was PLN 21.7 million, which means it was

maintained at a similar level compared to the corresponding period of the previous year (PLN 22.5 million).

It is worth noting that the financial results and revenues generated by ABC Data in the third quarter of 2018 remain at a similar level compared to previous years. The consolidated sales revenue amounted to PLN 1,096.1 million against PLN 1,117.3 million in 2017, PLN 1,091.3 million in 2016, and PLN 1,020.9 million in 2015, respectively. In turn, the EBITDA generated in the third quarter of 2018 was at the level of PLN 11.1 million, and in the previous years respectively: PLN 15.7 million in 2017, PLN 6.9 million in 2016 and PLN 8.7 million in 2015.

As a result of the company's activities related to the optimization of the working capital level, at the end of the third quarter of 2018 ABC Data reduced its net debt to PLN 98.8 million, compared to PLN 108.8 million a year earlier.

An extended consolidated financial report for the third quarter of 2018 will be published on 15 November 2018.

#### **About ABC Data S.A.**

ABC Data S.A. is a leading IT hardware distributor in Central and Eastern Europe. It is the only company in the industry that operates directly in eight CEE countries. The company successfully sets market trends and systematically expands its portfolio with products relying on new, innovative technologies. Thanks to many years of investing in online customer service platforms, today ABC Data S.A. enjoys the leading position in the field of online B2B sales. In the years 2009 - 2017 ABC Data S.A. was seven times named the Best IT Distributor in the CEE region by EMEA Channel Academy: one of the most important industry distinctions. It is the first Polish company that became a member of GTDC, a prestigious association of the largest IT distributors in the world. From 2010, ABC Data has been listed on the Warsaw Stock Exchange.



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