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Press release

### **ABC Data's luck continues: net profit higher by 60% y/y!**

**In the first quarter of 2018, ABC Data generated over PLN 1 billion of consolidated sales revenue, increased its EBITDA by 17% and obtained a 60% higher y/y net profit. The company is not about to slow down, with its focus on maintaining the upward trend.**

The consolidated sales revenue of ABC Data Group amounted to PLN 1 046 million, which means a y/y increase of 5%. Gross profit on sales amounted to PLN 60.2 million and was PLN 1.7 million higher than a year before.

*– We're very happy that regardless of the current market situation, ABC Data Group is able to constantly achieve one of the highest margins in the IT distribution industry. In the first quarter of 2018 it reached 5.8%, which only confirms the effectiveness of our business activities. Currently, our focus is on maintaining the upward trend. Estimated sales revenues of ABC Data in April 2018 were 17% higher than a year ago, which means that we are on track to achieve our goal – summarizes Ilona Weiss, President of the Management Board of ABC Data.*

Consolidated EBITDA rose by 17% (PLN 1.2 million) y/y, reaching PLN 7.9 million. Net profit, on the other hand, amounted to PLN 2.3 million, which means an increase by 60% y/y. The improvement in financial results in the first quarter of 2018 is the effect of an increase in the scale of ABC Data's operations, higher gross profit and an increase in the sales margin in the CEE region.

*– In the last quarter, we achieved, among others, a 41% increase in sales revenues in Slovakia, a 26% increase in Romania and a 16% increase in the Baltic countries (Lithuania, Latvia, Estonia). Such good results are, in addition to other things, due to dynamic development of*



*our sales channels in individual countries of the region, growing sales of Xiaomi devices in the Baltic markets, as well as increasing sales of components in most of the countries in which we are directly present – says Andrzej Kuźniak, Vice-President of the Management Board of ABC Data.*

When it comes to e-commerce, the Company focused on the development of further functionalities of the InterLink sales platform. Recently, the feature of fast online payments was added. Currently, the company continues works on making the mobile version of the platform, m-InterLink, available to ABC Data's partners in individual CEE countries.

The m-InterLink application was launched last year and has gained a wide acclaim among the Polish customers. In the first quarter of the year, the Company gave paramount importance to the further development of the mobile sector. As a result, iSource, a subsidiary of ABC Data, maintained its leading position in distribution of Apple devices. Moreover, ABC Data maintained its active involvement in cooperation with Xiaomi. In addition to a significant increase in the number of Xiaomi products available in ABC Data's portfolio, the actions taken by the company led to the opening of the first authorized Mi Store in Warsaw. The store, located in the Arkadia shopping center, offers the whole range of Xiaomi products officially distributed in Poland.

As per its development strategy, ABC Data Group has also taken a series of actions related to the broadly understood area of cloud computing. S4E, a subsidiary of ABC Data, actively participated in the project of creation of an educational cloud for the Greater Poland Voivodeship. Moreover, ABC Data signed a contract for the distribution of Microsoft CSP (Cloud Solution Provider) products in the entire CEE region. - *Cloud computing is the future of modern IT and is gaining more and more recognition among companies and institutions in Poland. As a result, we observe a gradual increase in interest in the sale of cloud solutions from resellers and integrators associated with us. The successive development of the cloud services portfolio to include both the solutions offered by Polish and global producers is*



*a cornerstone of the competitive advantage of ABC Data. Thanks to these actions, the company will become a beneficiary of the growing popularity of cloud solutions – points out Arkadiusz Lew-Kiedrowski, Vice-President of the Management Board of ABC Data.*

The successful first quarter of 2018 was a natural continuation of the triumphant 2017. Given the excellent results and good financial standing of the company, last year the Management Board of ABC Data decided in favor for a conditional payout of the dividend for 2017 to the Company's Shareholders. In May this year, in turn, it gave a recommendation to the General Shareholders' Meeting of ABC Data regarding dividend payout for 2017 in the total amount of PLN 39 million (PLN 0.31 per share). The recommendation of the Management Board of the Company was approved by the Supervisory Board. The General Shareholders' Meeting will decide on the dividend payout on June 11, 2018.

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

ABC Data S.A. is a leading IT hardware and service 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. Each year from 2009 to 2018, that is, eight times in a row, ABC Data S.A. was 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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