Agenda

1. Achievements of 2015
2. Business in 2015
3. Financial performance in 2015
4. Dividend for 2015
5. Outlook
6. Questions and answers
Achievements of 2015
Achievements of 2015

Improved financial performance

- **Net profit +41%**
- **EBITDA +10%**

- Significant profit of PLN 46.8 million
- Consolidated EBITDA of PLN 69.0 million
- High sales margin of 5.5%
- A significant decrease in financial expenses by 38 % to PLN 7 342 thousand
- Stable positive cash flows from operating activities
- Continuing improvement in working capital management

Strategy implementation

- Enhancing the Company’s position in the CEE region
  - Poland #2 (+1), Romania #3 (+11), Hungary #8 (+12)
- Rapid growth in product offer from 73 thousand up to 180 thousand products
- New contracts in Poland and in the CEE region
- Rapid growth in Value+, Mobile Telco, RTV/AGD
- Implementation of High Performance Organization philosophy

# Competitive advantages and added value

<table>
<thead>
<tr>
<th>Competitive advantage</th>
<th>Value for clients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strong position in CEE</strong> — presence in all key markets in the region</td>
<td>Deliveries to most CEE markets from one central source – competitive prices as a result of economies of scale</td>
</tr>
<tr>
<td><strong>Best logistic parameters in the industry and the best supply lead time in CEE</strong></td>
<td>99.9% order picking; the latest cut-off time for CEE orders, competitive lead times in Poland (4–24h) and best supply lead times in CEE (24–48h)</td>
</tr>
<tr>
<td>from three warehouses in Europe</td>
<td></td>
</tr>
<tr>
<td><strong>InterLink</strong>, the leading B2B e-commerce on the IT distribution market</td>
<td>Easy access to full product description. Fast order procedure. Available on the regional level: translated into nine languages</td>
</tr>
<tr>
<td><strong>Strong financial position</strong> of the Group</td>
<td></td>
</tr>
<tr>
<td><strong>Agreements with a wide group of manufacturers (ca. 300)</strong> — the portfolio includes</td>
<td>PLN 1.8 billion of financing available to supply chain members</td>
</tr>
<tr>
<td>almost all the biggest brands with a long history of successful cooperation</td>
<td></td>
</tr>
<tr>
<td><strong>The widest product portfolio</strong> among distributors in the CEE region: 180 000 SKU</td>
<td></td>
</tr>
</tbody>
</table>
Enhancing the Company’s position in the region

Modern IT distribution leader in the CEE region

ABC Data on a par with world distribution leaders

Large number of regional contracts

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1 2015</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>3</td>
<td>+1</td>
</tr>
<tr>
<td>Romania</td>
<td>14</td>
<td>+11</td>
</tr>
<tr>
<td>Hungary</td>
<td>20</td>
<td>+12</td>
</tr>
<tr>
<td>Baltic states</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Czech Republic and Slovakia</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

ABC Data on a par with world distribution leaders
Rapid development of the offer

**Broatest product portfolio** among distributors in the CEE region

**One-stop-shop** – comprehensive offer, all key brands at one location

**ABC Data in figures**

~300 largest vendors

13,000 active clients

**products**

180,000 in 2015

73,000 in 2014

**brands**

1,000 in 2015

430 in 2014
#1 Distributor of Apple brand in Poland

Serving over 60% of telephone and tablet market

400 accessories for Apple products in the portfolio

© ABC Data SA
Rapid growth in Value+

- Development of **Cloud Computing** services
- Rapid growth in **the number of contracts**
- Continuous extension of services scope

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of Cloud Computing market in Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>US$ 166 million</td>
</tr>
<tr>
<td>2016</td>
<td>US$ 213 million</td>
</tr>
<tr>
<td>2017</td>
<td>US$ 237 million</td>
</tr>
<tr>
<td>2018</td>
<td>US$ 349 million</td>
</tr>
</tbody>
</table>

**Key brands** in the offer:

- Microsoft
- CISCO
- FUJITSU
- D-Link
- Intel
- UBQUITI NETWORKS
- NETGEAR
- AXIS
- KASPERSKY
- Lenovo
- ASUS
- Synology
- Kingston
- TP-LINK
- ZyXEL
- EMERSON
- ESET
- Symantec
- APC
- Novell
- ATEN
- EATON
- EVER
- QNAP
- MikroTik
- VEEAM
- EDIMAX
Development in Mobile/Telco

Significant increase in Telco sales

Launching IoT products (smart fit, smart home, smart health)

60% share in distributor market for telco operators

ABC Data is authorized distributor of the most popular mobile device brands

Serving the largest operators in Poland:
ABC Data – rapid development of the gaming offer

Brand distribution

ABC Data distributes the most significant gaming brands
Rapid portfolio extension in high margin categories

**Stationery**
Complete directory in excess of 200 brands

**Toys**
Broatest product offer – over 300 brands

**Tools and power tools**
Offer extended with A-brand products

Coming soon:
- home&living
- lifestyle
- professional electronics
- sports equipment
- automotive equipment
ABC Data #1 – awards and merits

**CEE Distributor of the Year for 2015**
One of the most prestigious, key industrial awards granted by EMEA Channel Academy

**Distributor of the Year title by Dell**
Award for the best cooperation granted by business partner, one of the world’s largest computer manufacturers

**Bussiness Superbrands**

**Distributor of the Year 2015 title by Lenovo**
awarded the fifth consecutive time by Lenovo in business computers category

**The Dealer of the Year**

**Distributor of the year 2015 and the Golden Bell Statuette**
Man of the year 2015” and the Golden Bell Statuette awarded to Ilona Weiss – President of the Management Board in ABC Data in Mobility Trends survey

**Distributor of the Year by Symantec**
award for high sales performance regarding the supplier’s software
02

Business in 2015
Business in 2015

**Regional leader** – enhancing position on CEE markets: **Poland** – #2 (+1), **Romania** - #3 (+11), **Hungary** - #8 (+12)

**Hungary** – rapid growth in the number of active clients (by 100%)

Significant growth in sales in Lithuania, Hungary and Romania totaling to 85%

New **special channel programs** for partners – Arkadia and TOP300

New **financing solutions** for SME and significant increase in insured limits for clients

Product offer extended with new **brands** – a large number of regional contracts

New **high margin product categories** in the offer

**iSource** maintaining its position of the leader in distribution of Apple products in Poland
Best in logistics management

Over

24 000 000 units

1 300 000 orders in 2015

Over 5 000 packages sent and 19 000 serial numbers scanned each day

Warehouse space over

40 000 m²

4h This is how long it takes to deliver ordered goods in selected areas

Warsaw
dedicated for PL, LT, LV & EE

Sosnowiec
dedicated for PL (south), CZ, SK & HU

Bucuresti
deliveries Romania & Hungary

This is how long it takes to deliver ordered goods in selected areas
Unique financial solutions for partners

Financing of distribution channel

**PLN 1.8 bn**

Supported by strong financial performance of ABC Data

Individual solutions for small clients – simplified procedures & and opening of credit facilities

Variety of risk and cash flow management tools
Sales 2013, 2014, 2015

(PLN’000)

- **2013**: 4,822,468
- **2014**: 5,573,430
- **2015**: 4,856,264

- **13% decrease in sales vs. 2014; focus on improving profitability and gross margin**
- **Fewer transactions, higher margins**
Sales by product category

2014

- Mobile: 47.35%
- Computers: 17.16%
- Components: 12.30%
- Other: 15.8%
- RTV & AGD: 2.23%
- Peripheral devices: 4.58%

2015

- Mobile: 40.79%
- Computers: 14.77%
- Components: 15.91%
- Other: 15.69%
- RTV & AGD: 4.97%
- Peripheral devices: 7.71%
Sales development in CEE region

Poland (#2) – new sales department structure = closer customer relationships and better market penetration

New sales teams – 5 new directors – B2B teams successfully generating product leads

Implementation of dedicated channel programs = a considerable increase in the number of active partners

Hungary - partner activation program = an increase in the number of active clients by 100%

Romania - new financing solutions for SME and a considerable increase in trade credits for clients

The Czech Republic/Slovakia – launching channel activities and loyalty programmes to develop and penetrate the existing channels

Region – implementing a unique channel financing tool in collaboration with BNP Paribas
Financial performance 2015
Extremely strong financial standing

- **Substantial 41% increase in net profit** from PLN 33 282 thousand in 2014 to PLN 46 838 thousand in 2015
- **Rapid margin growth by 6 p.p.** from 4.9% in 2014 to 5.5% in 2015
- **EBITDA increase by over 10%** from PLN 62 722 thousand in 2014 to PLN 69 025 thousand in 2015
- **38% drop in financial expenses** from PLN 11 961 thousand in 2014 to PLN 7 342 thousand in 2015
- The lowest net debt among distributors operating on the Polish market
- **Cash conversion cycle improved to 25.6 days in 2015** vs. 26.8 days in 2014.
## Profit increase accompanied with net debt decrease

<table>
<thead>
<tr>
<th>Ratio</th>
<th>2014 (PLN million)</th>
<th>2015 (PLN million)</th>
<th>Y-o-Y comparison</th>
<th>Comment</th>
</tr>
</thead>
</table>
| Sales revenue  | 5,573              | 4,856              | -13%              | • Focus on higher profitability and gross margin  
• Fewer transactions, higher margins                                                              |
<p>| Gross margin   | 4,9%               | 5,5%               | +13%              | • Focus on profitability and higher margin from domestic and international transactions          |
| EBITDA         | 62,7               | 69,0               | +10%              | • Effect of margin growth                                                                        |
| Net profit     | 33,3               | 46,8               | +41%              | • Margin up, debt down                                                                           |
| Net debt       | 46,7               | 64,2               | +27%              | • Resulting from sales structure changes                                                         |</p>
<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4 822 486</td>
<td>5 573 430</td>
<td>4 856 264</td>
</tr>
<tr>
<td>Gross profit on sales</td>
<td>226 524</td>
<td>271 696</td>
<td>268 231</td>
</tr>
<tr>
<td>Gross profit on sales (%)</td>
<td>4.7%</td>
<td>4.9%</td>
<td>5.5%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>79 569</td>
<td>62 722</td>
<td>69 025</td>
</tr>
<tr>
<td>EBITDA (%)</td>
<td>1.5%</td>
<td>1.1%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Net profit</td>
<td>54 088</td>
<td>33 282</td>
<td>46 838</td>
</tr>
<tr>
<td>Net profit %</td>
<td>1.1%</td>
<td>0.6%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Net debt</td>
<td>124 014</td>
<td>46 678</td>
<td>64 241</td>
</tr>
</tbody>
</table>
Gross margin on sales has increased by 0.6 p.p.
Cost reducing trend maintained as a result of introduced optimization measures
EBITDA (PLN’000)

- 79,569 in 2013
- 62,722 in 2014 (−21%)
- 69,025 in 2015 (+10%)

- EBITDA increase by 10% due to margin improvement
Net profit

(PLN'000)

-56%

+41%

2013: 59,135
2014: 33,282
2015: 46,838

✓ Significant increase in net profit (41% y-o-y)
Low debt ratios

Period-end data

Consolidated net debt [PLN million]

Net debt / EBITDA
The cash conversion cycle (CCC) has been defined as the total of receivables and inventory turnover in days less liabilities turnover in days. CCC for a given period (quarter / six months) is presented as the arithmetic mean of monthly ratios for a given period. Each component of the monthly ratio has been calculated as a relation between the level of relevant balance sheet items at month-end multiplied by 30 days and referred to revenue for the month increased by VAT on sales (for amounts receivable), to cost of sales for the month (for inventories) and to costs of sales for the month increased by VAT on purchases of goods (for liabilities).
## Selected balance sheet ratios

<table>
<thead>
<tr>
<th>Continuing operations [PLN’000]</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>348 064</td>
<td>422 035</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>488 921</td>
<td>541 914</td>
</tr>
<tr>
<td>Trade and other liabilities</td>
<td>567 877</td>
<td>669 476</td>
</tr>
<tr>
<td>Working capital</td>
<td>269 108</td>
<td>294 473</td>
</tr>
<tr>
<td>% of sales</td>
<td>5 %</td>
<td>6.1%</td>
</tr>
<tr>
<td>Financial debt</td>
<td>80 594</td>
<td>96 293</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>33 916</td>
<td>32 052</td>
</tr>
<tr>
<td>Net debt</td>
<td>46 678</td>
<td>64 241</td>
</tr>
<tr>
<td>EBITDA 12M</td>
<td>62 722</td>
<td>69 025</td>
</tr>
<tr>
<td>Net debt / EBITDA 12M</td>
<td>0.7</td>
<td>0.9</td>
</tr>
</tbody>
</table>
Cash flows

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cash flows</td>
<td>-1,9</td>
<td>17,1</td>
</tr>
<tr>
<td>Operating and investing activities</td>
<td>142,2</td>
<td>38,5</td>
</tr>
<tr>
<td>Financing activities</td>
<td>-125,1</td>
<td>-40,4</td>
</tr>
</tbody>
</table>

All amounts in PLN million.
Turnover ratios (days)

- **Inventory turnover**: 29.6 days in 2014, 33.7 days in 2015 (+14%)
- **Receivables turnover**: 26.4 days in 2014, 28.7 days in 2015 (+9%)
- **Liabilities turnover**: 29.2 days in 2014, 36.8 days in 2015 (+26%)
- **Cash conversion cycle**: 26.8 days in 2014, 25.6 days in 2015 (-4%)

✔ **Cash conversion cycle improvement**
04

Dividend for 2015
One of the highest dividend rates on the Polish market

✓ **ABC Data has followed a consistent dividend payment policy**
✓ **The current financial standing allows continuing of the dividend policy; separate net profit for 2015 amounted to PLN 60 276 thousand**
Projections vs. actual performance
Actual performance vs. 2015 projections

Sales
- projection: PLN 4,762,477 thousand
- performance: PLN 4,856,265 thousand

EBITDA
- projection: PLN 68,023 thousand
- performance: PLN 69,025 thousand

Net profit
- projection: PLN 49,066 thousand
- performance: PLN 46,838 thousand
Outlook
Investments

E-commerce
- Mobile platforms
- Light marketplace platforms
- Development of e-commerce tools

Investing in human capital

ABC Data Academy
- Positive productivity
- ABC Data Leadership Academy
- ABC Data Sales Academy
- ABC Data English Academy

High Performance Organization
- Efficiency measurement
- Involvement building
- Talent development
- Communication enhancement

New ERP
- Process improvement
- Cost reduction
Consistent strategy implementation

VALUE BUILDING AND DEVELOPMENT

**Vision**

Leader in new IT distribution in the CEE region worth PLN 1 bn in 2018

**Strategic objective**

**Business**

- Position in CEE
- E-commerce
- Mobile and Telco
- VAD
- M&A

**Clients**

Building client loyalty and improving service quality, delivering added value, developing product offer and new services. Building new sales channels for the Marketplace.

**Vendors**

Developing partnerships with vendors through service quality improvement, added value and industry’s best solutions. Extending the scope of contracts with vendors both in PL and CEE region.

**Process**

- Developing foreign markets
- Developing exports
- E-commerce project # 1
- E-commerce project # 2
- Mobile
- Telco
- Logistics
- VAD
- M&A

**Organization**

- Human capital (High Performance Organization) and IT capital (new ERP)

**Strong foundations**

- Continuous improvement of quality of operations
- Developing distribution, the core business
Questions and answers
Thank you for your attention

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