

Solutions  
for demanding  
business.

asreco

SOUTH EASTERN EUROPE

# Financial Results for Q2 2016 And Business Update

August 8th, 2016

Warsaw

# Q2 2016 results

## Q2 2016 highlights

- Continued **investments in Production and Sales** accompanied by **growing Revenues**
- Stable results from **Payment**. WN **preferred banking partner** status for ASEE Romania
- Better quarter for **Banking** with chances for further improvement towards the end of 2016
- **System Integration** constantly beating last year results. Strong quarter in Romania
- **Political tension in Turkey** without direct impact on ASEE business

# Group Performance Q2 2016

	mEUR			mPLN		
	Q2 2016	Q2 2015	% Diff	Q2 2016	Q2 2015	% Diff
Revenue	31,8	29,5	+8%	140,2	121,8	+15%
EBITDA	5,2	5,2	+0%	22,9	21,4	+7%
EBIT	3,1	3,4	-9%	13,7	14,2	-3%
NPAT	2,8	2,8	-2%	12,2	11,6	+5%
<i>EBITDA %</i>	<i>16,3%</i>	<i>17,6%</i>				
<i>EBIT %</i>	<i>9,8%</i>	<i>11,6%</i>				

# Group Performance H1 2016

	mEUR			mPLN		
	H1 2016	H1 2015	% Diff	H1 2016	H1 2015	% Diff
Revenue	59,4	53,3	+11%	260,0	220,4	+18%
EBITDA	9,5	9,2	+3%	41,8	38,2	+9%
EBIT	5,5	5,8	-6%	24,0	24,0	-0%
NPAT	4,6	4,8	-3%	20,3	19,8	+3%
<i>EBITDA %</i>	<i>16,1%</i>	<i>17,3%</i>				
<i>EBIT %</i>	<i>9,2%</i>	<i>10,9%</i>				
Normalized EBIT*	5,5	5,7	-4%	24,0	23,5	+2%
Normalized NPAT*	4,6	4,5	+2%	20,3	18,8	+8%

\* Excluding return of tax on civil law transactions overpaid in 2008-10

# Growing sales offset by higher expenses

mEUR	Revenue				EBIT			
	H1 2016	H1 2015	Diff	% Diff	H1 2016	H1 2015	Diff	% Diff
B&H	2,2	1,8	0,4	+21%	0,4	0,3	0,1	+29%
Cro	8,2	8,4	-0,1	-1%	0,2	0,3	-0,1	-28%
Mon	1,3	1,2	0,1	+12%	0,4	0,3	0,1	+43%
Mac	5,7	7,0	-1,3	-19%	1,2	1,3	-0,2	-13%
Rom	12,3	9,3	3,0	+32%	0,3	0,3	0,0	-10%
Ser	17,9	14,7	3,1	+21%	1,6	1,7	-0,1	-5%
Slo	1,9	1,6	0,3	+18%	0,3	0,3	0,0	+11%
Tur	7,0	6,0	1,0	+16%	0,8	0,8	0,0	-4%
Other*	2,9	3,3	-0,4	-12%	0,3	0,4	-0,2	-35%
<b>GASEE</b>	<b>59,4</b>	<b>53,3</b>	<b>6,1</b>	<b>+11%</b>	<b>5,5</b>	<b>5,8</b>	<b>-0,3</b>	<b>-6%</b>

# Comparable net cash and higher operational balance

mEUR	Asseco SEE Group		
	Q2 2016	2015 YE	Diff
Cash and cash equivalents	8,3	9,8	-1,5
Short term investments	14,9	14,6	0,3
Short term and long term debt	-9,7	-10,6	1,0
<b>Net Cash</b>	<b>13,5</b>	<b>13,7</b>	<b>-0,2</b>
Receivables and Prepayments	29,2	27,2	2,0
Liabilities, Provisions and Deffered Income	-27,3	-26,0	-1,3
Inventory	6,7	3,6	3,0
<b>Operational Balance</b>	<b>22,1</b>	<b>18,5</b>	<b>3,5</b>

# Cash conversion ratio improved after Q2 2016

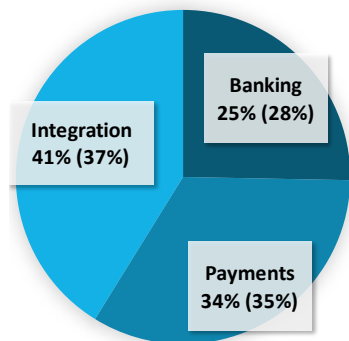
mEUR	Asseco SEE Group		
	Q2 2016 LTM	2015	2014
Operating cash flow	19,7	20,1	18,3
Debt increase	-0,3	0,6	8,0
- CAPEX - IT Infrastructure for outsourcing	-7,0	-7,2	-10,1
- Other CAPEX	-1,8	-2,0	-2,4
- Capitalized R&D	-1,1	-1,2	-1,9
Free cash flow	9,7	10,3	11,9
Cash conversion ratio*	78%	81%	108%

\*Cash conversion ratio calculated as Free cash flow to EBIT

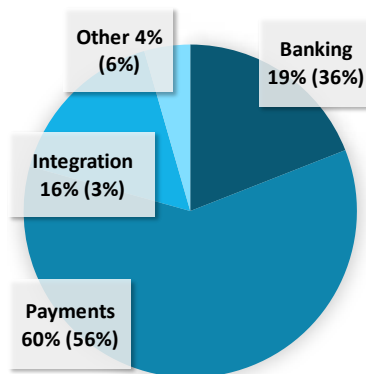
## Improving Integration and strong Payment compensate for slower Banking

mEUR	Revenue			EBITDA			EBIT		
	H1 2016	H1 2015	Diff	H1 2016	H1 2015	Diff	H1 2016	H1 2015	Diff
Banking	15.0	14.7	0.3	1.8	2.8	-1.0	1.0	2.1	-1.1
Payments	19.9	18.7	1.2	6.0	5.4	0.7	3.3	3.2	0.1
Integration	24.4	19.9	4.6	1.5	0.7	0.8	0.9	0.2	0.7
Other	0.0	0.0	0.0	0.2	0.4	-0.1	0.2	0.3	-0.1
<b>Asseco SEE Group</b>	<b>59.4</b>	<b>53.3</b>	<b>6.1</b>	<b>9.5</b>	<b>9.2</b>	<b>0.3</b>	<b>5.5</b>	<b>5.8</b>	<b>-0.3</b>

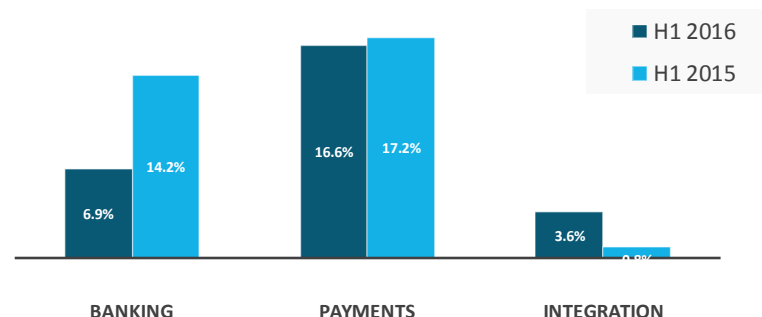
Revenue per BUs H1 2016



EBIT per BUs H1 2016



Profitability per BU



# Q2 2016 Best Deals

## Banking



- Implementation of **complete retail banking solution** in one of the international banks in Serbia
- **Absolut loans module** extension at one of the banks in Romania
- **Bapo Payment** – first implementation of **payment institution** in Serbia in a **SaaS model**
- Implementations of **PUB2000 Payment** solution in two banks in Croatia
- **BI** solution for an international banking group in Serbia

## Payment



- New **MSU** implementations in a real estate company and in a holding
- Deliveries and installation of new **ATMs** to Zagrebačka and Ernste banks in Croatia
- Outsourcing of **ATMs** to Privredna banka (Intesa) in Croatia

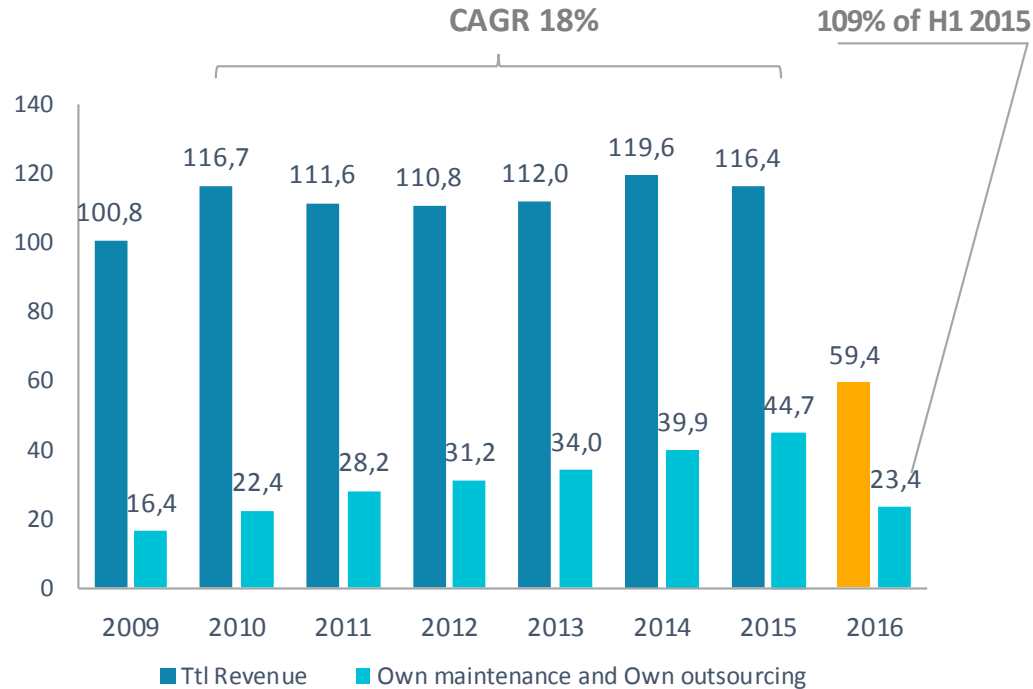
## System Integration



- Implementation of **E-invoice** and **E-book** in one of the Turkish holdings
- **Dynatrace** solution sale to an IT services company
- Implementation of **Security F5** solution in a Romanian bank
- Delivery of 3rd party security solutions to one of the ministries in Serbia
- Centralized information system for **National Agency for Employment** in Serbia
- Delivery and implementation of Telex solution to the **Airport in Belgrade**
- HW delivery to **Pension Insurance Fund** of Republic of Macedonia and to **City of Skopje**

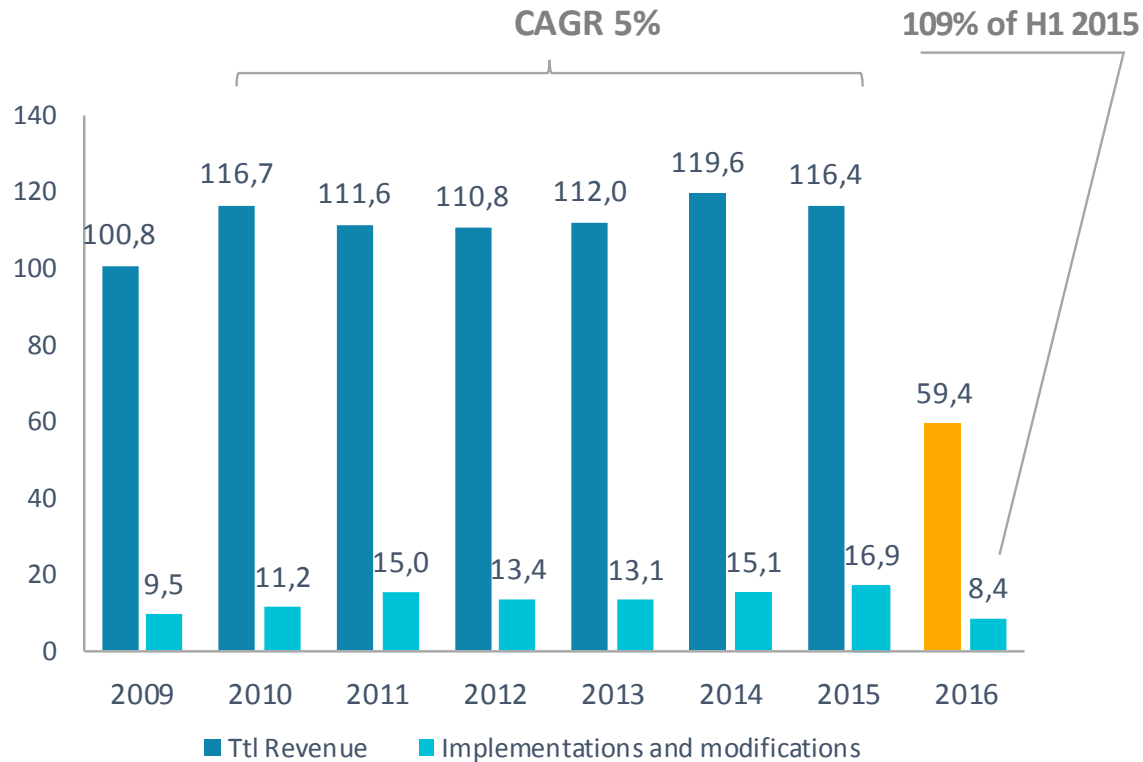
# Strategic KPIs

## Maintenance and Outsourcing

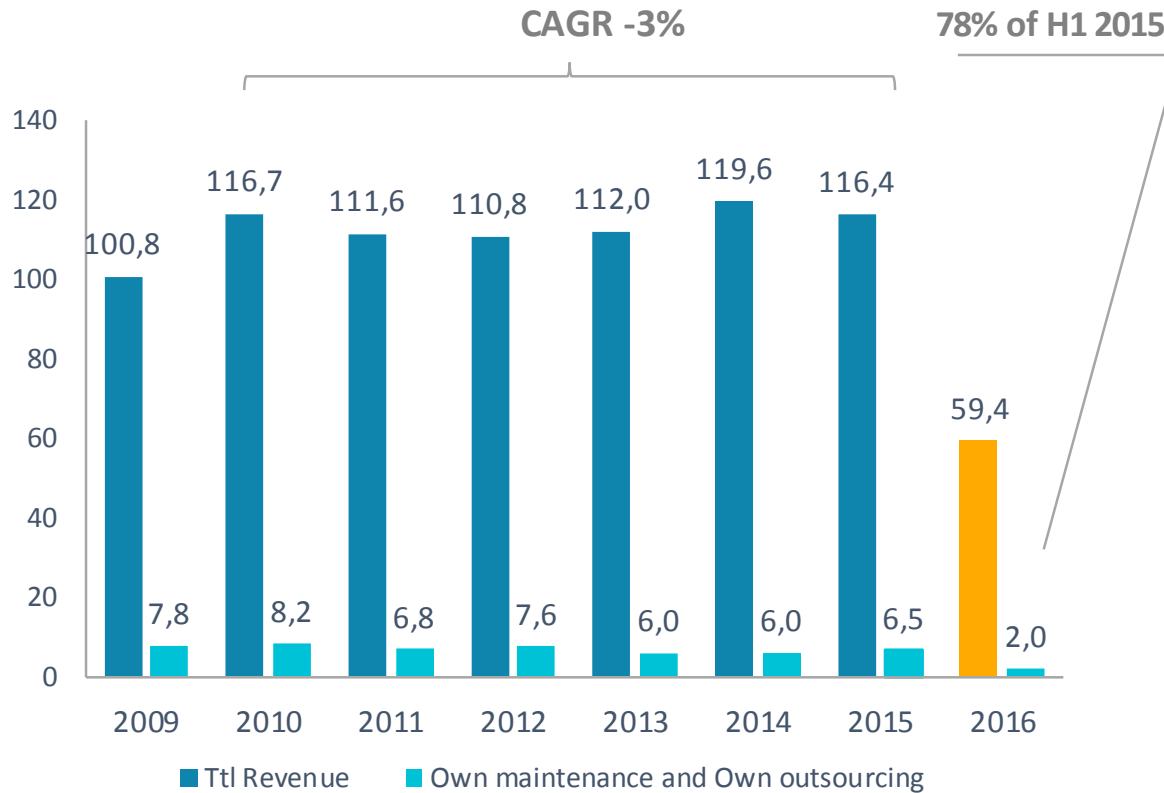


	2009	2010	2011	2012	2013	2014	2015	2016
Cost Coverage	53%	56%	60%	61%	60%	66%	68%	70%

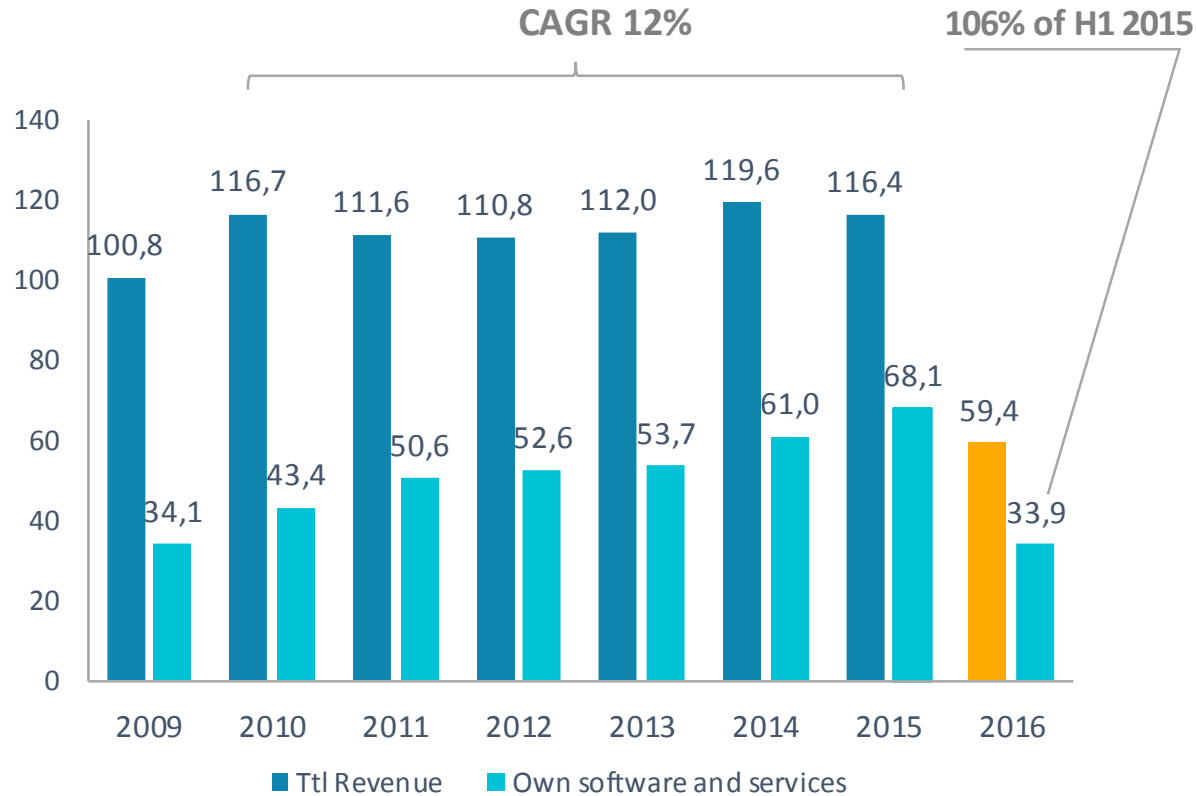
## Implementations and Modifications



## Licences



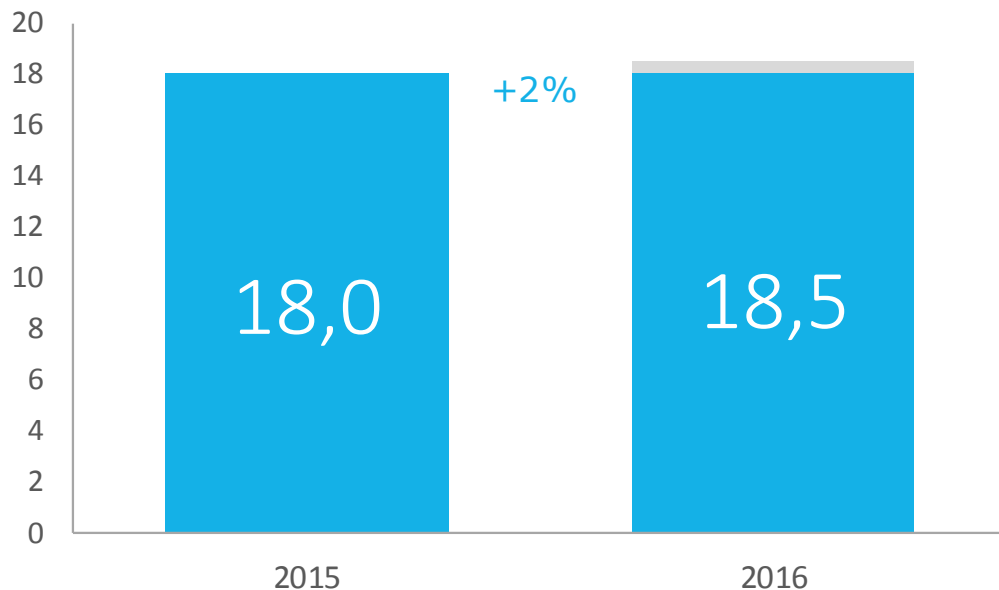
## Own software and services



# Outlook for 2016

# Increase in backlog for Q3 2016

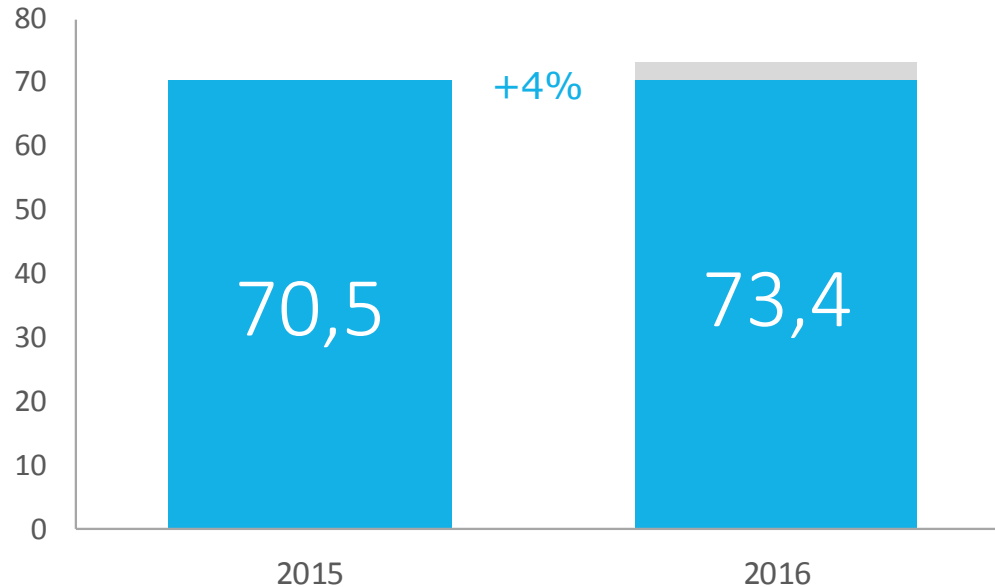
mEUR	2015*	2016*	% Diff
Revenues BL	24,8	26,3	+6%
Margin1 BL	18,0	18,5	+2%



\* 2015 as at 12-Jul-2015, 2016 as at 12-Jul-2016

# Increase in backlog for 2016

mEUR	2015*	2016*	% Diff
Revenues BL	96,2	108,4	+13%
Margin1 BL	70,5	73,4	+4%




\* 2015 as at 12-Jul-2015, 2016 as at 12-Jul-2016

# Thank you

<http://asseco.com/see/>

# Legal disclaimer

The content presented in this presentation is subject to copyright protection and has the ownership title. Texts, graphics, photographs, sound, animations and videos as well as their distribution in the presentation are protected under the Copyright and related rights Law. Unauthorized use of any material contained in the presentation herein may constitute an infringement of copyright, trademark or other laws. The materials in this presentation may not be modified, copied, publicly presented, executed, distributed or used for any other public or commercial purposes, unless the Board of Asseco South Eastern Europe S.A. gives consent in writing. Copying for any purpose, including commercial use, distribution, modification or acquisition of the contents of this presentation by third parties is prohibited. Moreover, this presentation may contain reference to third-party offers and services. Terms of use for such offers and services are defined by these entities.

Asseco South Eastern Europe S.A. assumes no responsibility for the conditions, contents and effects of the use of offers and services of these entities. The data and information contained in this presentation are for information purposes only. Presentation was prepared with the use of  company products.

The name and logo of Asseco are registered trademarks by Asseco South Eastern Europe S.A. parent company – Asseco Poland S.A. and cannot be used without prior express consent.

**asreco**

**SOUTH EASTERN EUROPE**