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SOUTH EASTERN EUROPE

# Financial Results for 2019 And Business Update

February 25th, 2020

Warsaw

# Q4 2019 results

## Q4'19: Highlights

- Very good quarter for Banking due to maintained high interest in Mobile and Security&Compliance solutions
- Very good performance of eCommerce continued, including 3D Secure software
- Acquisition of Monri as an important element of independent POS business line deployment
- Strong quarter for Dedicated solutions (previously System Integration)

# Q4 2019 ASEE Best Deals.

## Banking Business Unit

- **DE** for Sparkasse Bank d.d.
- **DO** for a bank in Serbia
- **GDPR** for SBERBANK a.d. Banja Luka
- **IFRS 9** for SBERBANK a.d. Banja Luka + Sberbank BH d.d. Sarajevo
- **FIPO** back-office treasury solution for international bank in Romania
- **Ab-Solut – ANAF** and **FATCA/CRS** Reporting Modules for a bank in Romania

## Dedicated solutions

- **Live & SxS** for a utility company in Serbia
- **Live** new functionalities for an insurance company in Croatia
- **FinanceFlex** for a consumer finance company in Turkey
- Dedicated solution for **Central Population Register** in Serbia
- Dedicated register solution of health institutions managed by the **Agency for business register**
- 8 Dynatrace 3P solution deals in Turkey

# Q4 2019 Payten Best Deals.

## E-Commerce

- **Trides2 ACS and Trides2 3DSS** to existing Trides1 ACS and Trides1 3DSS clients
  - a bank in Croatia and to a payment institution in Morocco
- **TriDES2 ACS SaaS** to a Slovenian fintech service
- **MSU** for a leading electronic security solutions provider for homes and institutions with alarm systems
- **MSU** for a leading home appliances manufacturer

## ATM and POS Related Services

- **ATM delivery and Services to Banca Intesa**
  - Banca Intesa continue to expand ATM network with Payten in Q4 as a part of 3-year project to renew 200 ATMs and to introduce new services like Cash Deposit, Bill payment etc.
- **ATM delivery and Services to NLB Banka**
  - Payten signed partnership with NLB Group to renew and extend ATM network for 6 banks: NLB in Slovenia, NLB in Serbia, NLB Tutunska in Macedonia, NLB in Bosnia, NLB Pristina and NLB Montenegro.

## 4Q'19: Strong results confirm continuation of growth

	mEUR			mPLN		
	Q4 2019	Q4 2018	% Diff	Q4 2019	Q4 2018	% Diff
Revenue	64.3	51.6	+25%	275.6	221.5	+24%
EBITDA	12.5	8.5	+46%	53.6	36.7	+46%
EBIT	8.5	5.8	+47%	36.5	24.8	+47%
NPAT	6.9	4.7	+47%	29.5	20.1	+47%
<i>EBITDA %</i>	<i>19.5%</i>	<i>16.6%</i>				
<i>EBIT %</i>	<i>13.3%</i>	<i>11.2%</i>				

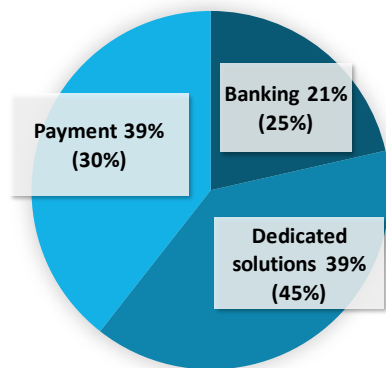
In kEUR:

- IFRS16 impact: **EBITDA** +1 027, **EBIT** +64, **NPAT** -38

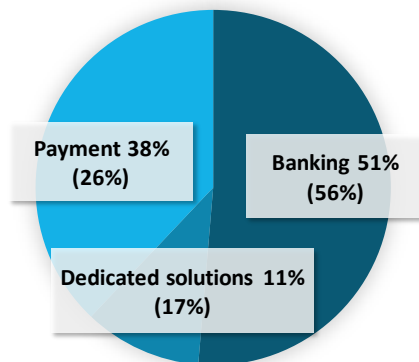
# 4Q'19: Very good Payment and improving Banking

mEUR	Revenue			EBITDA			EBIT		
	Q4 2019	Q4 2018	Diff	Q4 2019	Q4 2018	Diff	Q4 2019	Q4 2018	Diff
Banking	13.8	12.7	1.1	5.0	3.5	1.5	4.4	3.2	1.1
Dedicated solutions	25.2	23.4	1.8	1.3	1.2	0.1	0.9	1.0	-0.1
Non-Payment	38.9	36.1	2.9	6.3	4.7	1.6	5.3	4.3	1.0
Payment	25.3	15.5	9.8	6.2	3.8	2.4	3.2	1.5	1.7
<b>Asseco SEE Group</b>	<b>64.3</b>	<b>51.6</b>	<b>12.7</b>	<b>12.5</b>	<b>8.5</b>	<b>4.0</b>	<b>8.5</b>	<b>5.8</b>	<b>2.7</b>

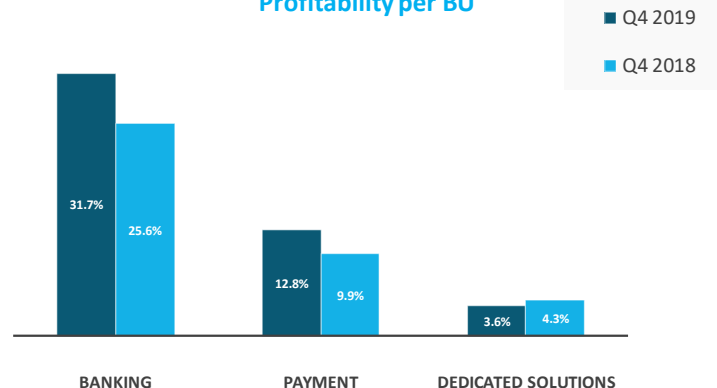
Revenue per BUs Q4 2019



EBIT per BUs Q4 2019



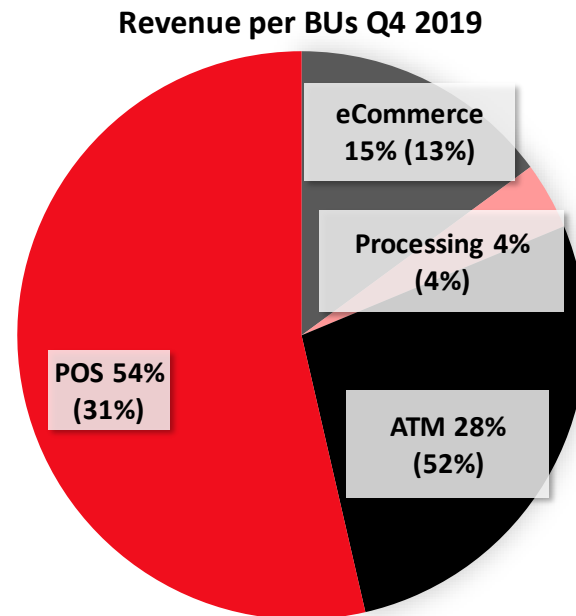
Profitability per BU





## 4Q'19: New acquisitions contributing mainly to POS

mEUR	Revenue		
	Q4 2019	Q4 2018	Diff
eCommerce	3.8	2.0	1.8
Processing	1.0	0.7	0.3
ATM	7.0	8.0	-1.0
POS	13.6	4.8	8.7
<b>Payment</b>	<b>25.3</b>	<b>15.5</b>	<b>9.8</b>



## 4Q'19: Improvement in most markets. Strong Turkey and Croatia

mEUR	Revenue				EBIT			
	Q4 2019	Q4 2018	Diff	% Diff	Q4 2019	Q4 2018	Diff	% Diff
B&H	2.3	5.0	-2.7	-54%	0.4	0.5	-0.1	-11%
Croatia	8.4	7.4	0.9	+13%	1.7	0.8	1.0	+131%
Iberia	6.5		6.5		0.2		0.2	
Latam	1.4		1.4		0.2		0.2	
Macedonia	4.8	5.1	-0.3	-5%	0.9	1.4	-0.5	-33%
Romania	13.7	12.2	1.5	+12%	0.9	0.6	0.3	+41%
Serbia	18.5	18.6	0.0	-0%	2.4	2.3	0.0	+1%
Turkey	4.9	3.2	1.7	+54%	1.1	-0.4	1.6	
Cze & Svk	1.6		1.6		0.2		0.2	
Other*	5.2	4.7	0.5	+11%	0.4	0.7	-0.3	-38%
Eliminations	-3.0	-4.6	1.5		0.0	-0.1	0.1	
<b>GASEE</b>	<b>64.3</b>	<b>51.6</b>	<b>12.7</b>	<b>+25%</b>	<b>8.5</b>	<b>5.8</b>	<b>2.7</b>	<b>+47%</b>

\*Other entities include Albania, Bulgaria, Kosovo, Montenegro, Poland, Slovenia

# 2019 results

## 2019: Dynamic organic growth supplemented by acquisitions

	mEUR			mPLN		
	FY 2019	FY 2018	% Diff	FY 2019	FY 2018	% Diff
Revenue	204.9	157.1	+30%	881.3	670.4	+31%
EBITDA	40.9	28.2	+45%	175.9	120.1	+46%
EBIT	25.6	17.5	+47%	110.2	74.5	+48%
NPAT	21.2	15.3	+39%	91.3	65.2	+40%
<i>EBITDA %</i>	<i>20.0%</i>	<i>17.9%</i>				
<i>EBIT %</i>	<i>12.5%</i>	<i>11.1%</i>				

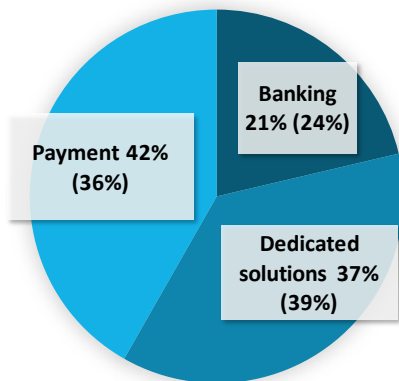
In kEUR:

- Tax on civil law transactions: **EBITDA/EBIT/NPAT** -281
- Revaluation of share in Multicard: **NPAT** +466
- IFRS16 impact: **EBITDA** +3 904; **EBIT** +302; **NPAT** -109

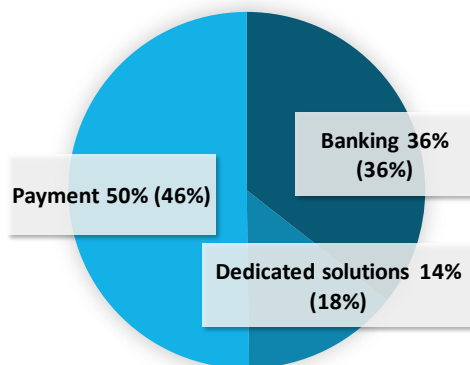
# 2019: Improvement in all segments. Outstanding Payment

mEUR	Revenue			EBITDA			EBIT		
	FY 2019	FY 2018	Diff	FY 2019	FY 2018	Diff	FY 2019	FY 2018	Diff
Banking	43.7	38.3	5.4	11.4	7.3	4.1	9.1	6.3	2.8
Dedicated solutions	75.6	61.5	14.1	5.2	4.0	1.2	3.6	3.1	0.5
Non-Payment	119.3	99.8	19.6	16.6	11.3	5.3	12.8	9.4	3.3
Payment	85.6	57.3	28.2	24.3	16.8	7.5	12.9	8.0	4.8
<b>Asseco SEE Group</b>	<b>204.9</b>	<b>157.1</b>	<b>47.8</b>	<b>40.9</b>	<b>28.2</b>	<b>12.7</b>	<b>25.6</b>	<b>17.5</b>	<b>8.2</b>

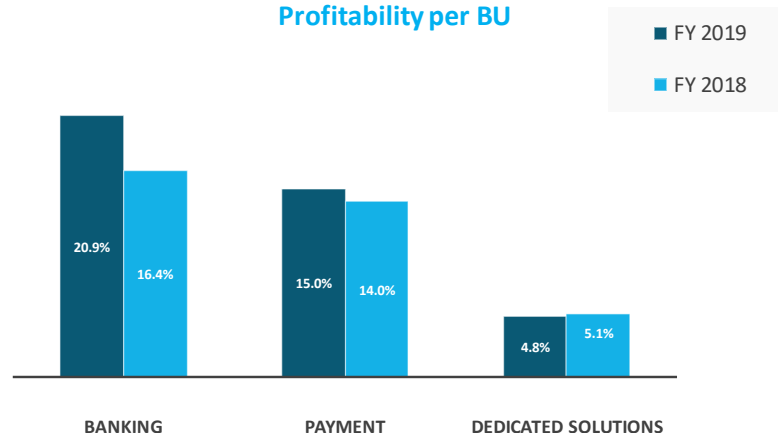
Revenue per BUs FY 2019



EBIT per BUs FY 2019



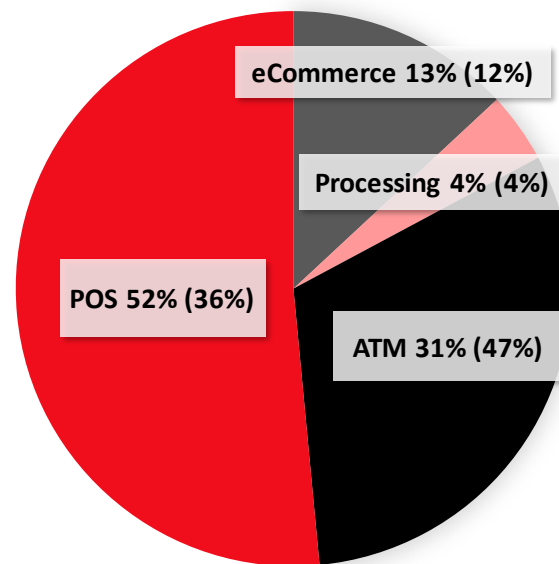
Profitability per BU



## 2019: Acquisitions contributing mainly to POS RS

mEUR	Revenue		
	FY 2019	FY 2018	Diff
eCommerce	11.2	7.1	4.1
Processing	3.5	2.5	1.0
ATM	26.8	27.2	-0.4
POS	44.1	20.5	23.5
<b>Payment</b>	<b>85.6</b>	<b>57.3</b>	<b>28.2</b>

Revenue per BUs FY 2019



## 2019: Improvement in most markets. Outstanding Turkey

mEUR	Revenue				EBIT			
	FY 2019	FY 2018	Diff	% Diff	FY 2019	FY 2018	Diff	% Diff
B&H	7.5	9.6	-2.2	-23%	1.2	1.3	-0.1	-9%
Croatia	32.0	30.1	1.9	+6%	5.9	4.4	1.5	+33%
Iberia	24.3		24.3		0.3		0.3	
Latam	4.0		4.0		0.3		0.3	
Macedonia	13.5	14.2	-0.8	-5%	2.7	2.7	0.1	+3%
Romania	33.8	33.8	0.1	+0%	1.6	0.9	0.7	+70%
Serbia	64.1	52.4	11.7	+22%	6.4	5.6	0.8	+15%
Turkey	15.7	11.7	4.0	+34%	4.4	0.7	3.7	+493%
Cze & Svk	2.0		2.0		0.3		0.3	
Other*	16.9	14.7	2.2	+15%	2.7	2.1	0.6	+28%
Eliminations	-9.0	-9.5	0.5		-0.2	-0.3	0.1	
<b>GASEE</b>	<b>204.9</b>	<b>157.1</b>	<b>47.8</b>	<b>+30%</b>	<b>25.6</b>	<b>17.5</b>	<b>8.2</b>	<b>+47%</b>

\*Other entities include Albania, Bulgaria, Kosovo, Montenegro, Poland, Slovenia

# Liquidity



## Net cash down due to acquisitions and IFRS16

mEUR	Asseco SEE Group		
	31 Dec '19	2018 YE	Diff
Cash and short term investments	47.0	39.2	7.8
Lease liabilities	-15.6	-0.4	-15.2
Financial liabilities	-25.1	-11.2	-13.9
<b>Net Cash</b>	<b>6.3</b>	<b>27.6</b>	<b>-21.3</b>
Receivables and Prepayments	54.4	41.0	13.3
Liabilities, Provisions and Deferred Income	-57.1	-39.7	-17.4
Inventory	8.7	4.0	4.8
<b>Operational Balance</b>	<b>12.3</b>	<b>32.9</b>	<b>-20.5</b>

\* Financial liabilities including: short-term part of acquisition related liabilities (3,3m EUR), short-term loans (11,7m EUR) and long-term loans (10,2m EUR)

# Lower cash flow due to M&A and payment infrastructure

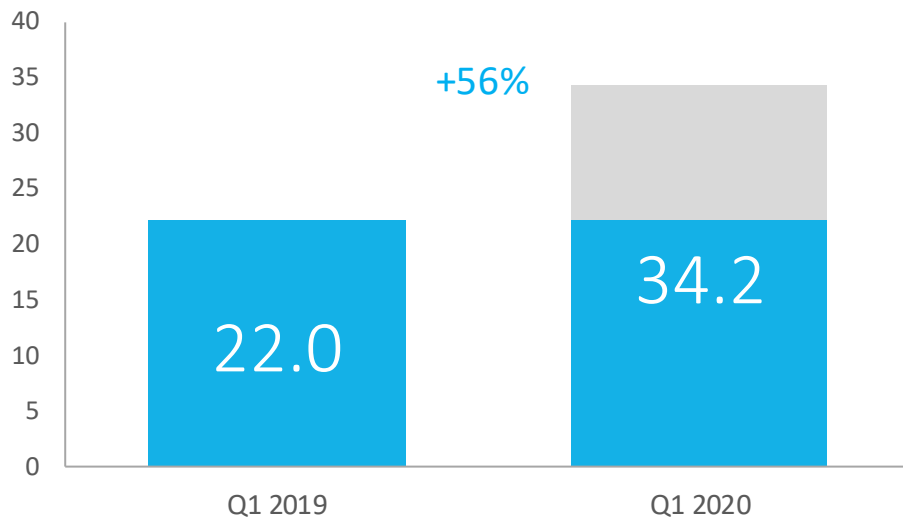
mEUR	Asseco SEE Group		
	2019	2018	2017
Operating cash flow*	38.1	29.2	22.7
- IT Infrastructure for outsourcing	-10.0	-5.8	-13.7
- infrastructure for IAD	-0.5	-1.4	0.0
- Capitalized R&D	0.0	-0.3	-0.8
- M&A	-10.6	0.0	-0.2
- Other CAPEX	-2.1	-2.6	-1.9
Free cash flow	14.9	19.1	6.1
Debt Increase	12.7	3.8	5.2
Debt Service	-12.3	-3.8	-4.7
Total Cash Flow	15.2	19.0	6.5
Oper CF/EBITDA	119%	119%	90%
FCF/EBIT	74%	128%	39%

\*Excluding investment in outsourcing equipment presented in Inventory

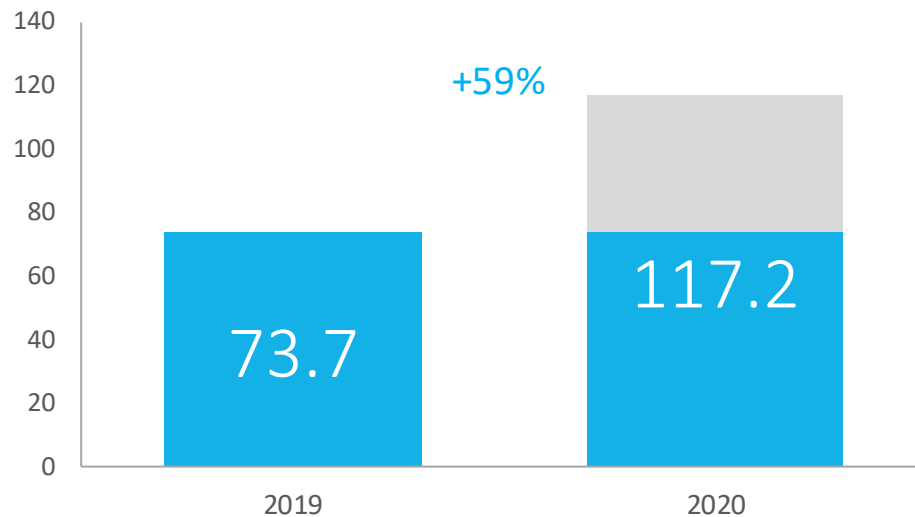
# Outlook for 2020

## Total ASEE Group incl. Payten

mEUR	Q1 2019	Q1 2020	% Diff
Revenues BL	30.8	49.4	+60%
Margin1 BL	22.0	34.2	+56%



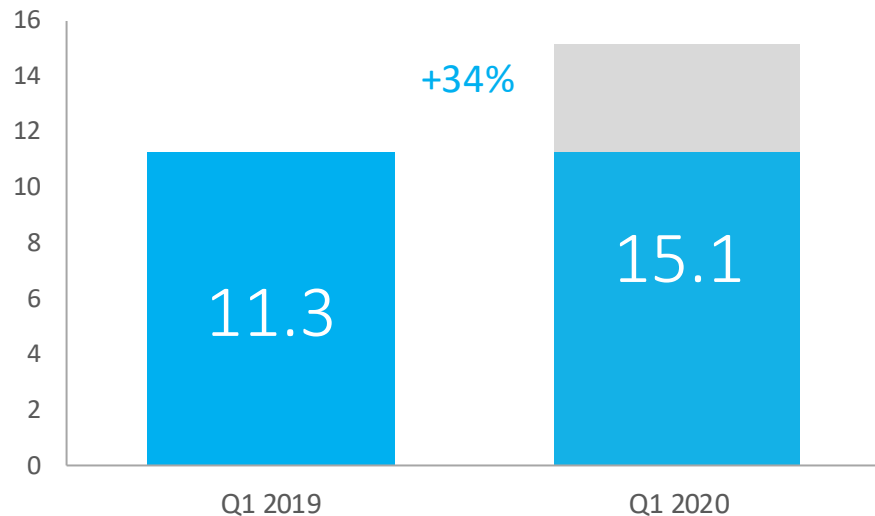
mEUR	2019	2020	% Diff
Revenues BL	92.7	160.6	+73%
Margin1 BL	73.7	117.2	+59%



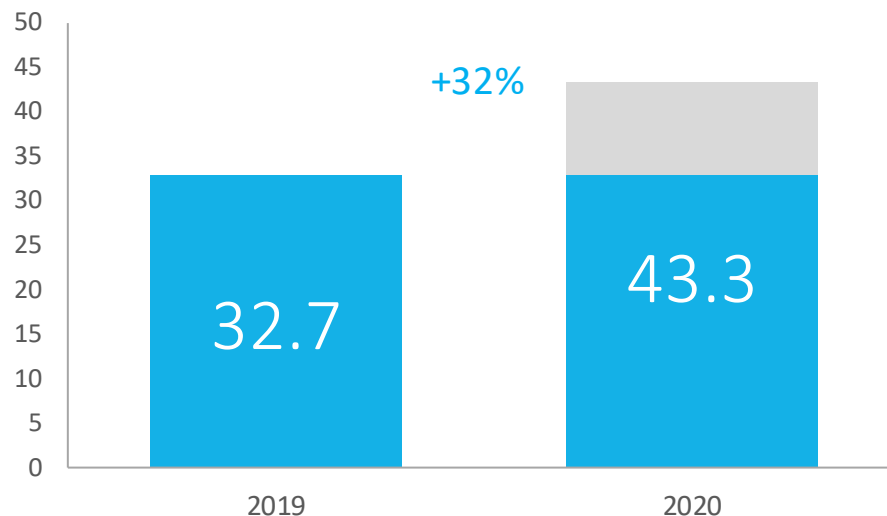
\* Backlog data as at February 20<sup>th</sup>, 2020

# Banking and Dedicated solutions

mEUR	Q1 2019	Q1 2020	% Diff
Revenues BL	16.8	22.6	+35%
Margin1 BL	11.3	15.1	+34%



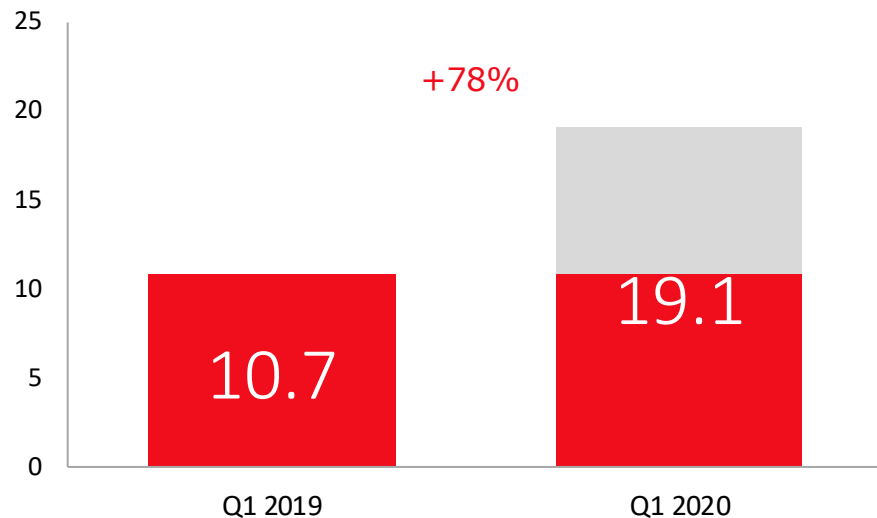
mEUR	2019	2020	% Diff
Revenues BL	47.0	74.0	+58%
Margin1 BL	32.7	43.3	+32%



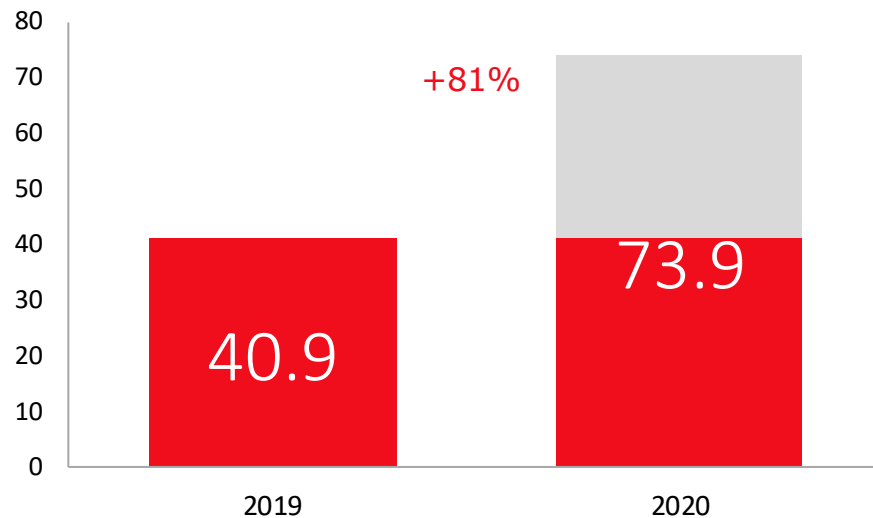
\* Backlog data as at February 20<sup>th</sup>, 2020

# Payten

mEUR	Q1 2019	Q1 2020	% Diff
Revenues BL	14.1	26.8	+90%
Margin1 BL	10.7	19.1	+78%



mEUR	2019	2020	% Diff
Revenues BL	45.8	86.6	+89%
Margin1 BL	40.9	73.9	+81%




\* Backlog data as at February 20<sup>th</sup>, 2020

# Thank you

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

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