

**Payten**  
MEMBER OF asseco

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SOUTH EASTERN EUROPE

# Financial Results for Q1 2020 And Business Update

April 30th, 2020

Warsaw

# 1Q 2020 results

# 1Q 2020: Highlights

- Very good quarter thanks to improvement in all segments:
  - Growing **POS RS** business and maintained performance of **eCommerce**, including **3D secure** (Trides and hosted ACS), contribute to improving results of Payment
  - Higher efficiency translate to growth in **profitability** of **Banking**
  - Better results in Dedicated solutions due to new projects based on **own solutions**
- Acquisition of Bassilichie BiH closing the process of **taking over Bassilichie** business in the region
- **No** significant impact of **COVID-19** on ASEE business **so far**

# 1Q 2020 ASEE Best Deals.

## Banking

- **DO** for an international bank in Serbia
- **DE** for an international bank in Serbia
- **Tezauri DWH** for a bank in Serbia
- **Mobile Banking Licences and yearly support** for a bank in Romania
- **Apple Pay functionalities** for a bank in Romania
- **Consultancy** services for a bank in Romania
- **SxS & mToken implementation** for a bank in Nigeria
- **SxS** modification for an international bank in Croatia

# 1Q 2020 ASEE Best Deals.

## Dedicated solutions

- **LIVE Contact Centre** for Pension Insurance Institute in Croatia
- **LIVE GDPR module** for an insurance company in Croatia
- **LIVE Contact Centre** for an insurance company
- **JAVA BPM** – Customer identification MSFT AI for a medical center in Romania
- **Dynatrace** for a bank in Turkey

# 1Q 2020 Payten Best Deals.

## eCommerce

- **TriDES** for an international bank in Croatia
- **MSU\*** for an energy company in Turkey
- **MSU\*** for a payment processor company in Turkey
- **MSU\*** for a hospital in Turkey (MLP Care)
- **MSU\*** for an insurance company in Turkey (Sampo Japan Sigorta)
- **B2B and Payment gateway solution** for an automotive company in Turkey (BRISA)
- **Fraud solution** for an eCommerce Marketplace in Turkey (N11)
- **Mobile Payment - e/m Commerce Instant Payment** for a financial institution in Croatia

## ATM and POS Related Services

- **Mobile Branch** for Banka poštanska štedionica Serbia
- **UTMS & Gateway System Services** in Romania
- **ATM outsourcing** for Podravska banka Croatia - prolongation
- **ATM delivery (HW & SW)** to banks mainly in Croatia and BH;
- **POS migration** for Nova Ljubljanska banka Slovenia

*\* Card Storage and Payment gateway solution*

# 1Q'20: Very good quarter in all segments

	mEUR		
	Q1 2020	Q1 2019	% Diff
Revenue	52.5	41.6	+26%
EBITDA	10.8	8.4	+29%
EBIT	6.5	5.0	+29%
NPAT	5.4	4.3	+24%
<i>EBITDA %</i>	<i>20.6%</i>	<i>20.1%</i>	
<i>EBIT %</i>	<i>12.3%</i>	<i>12.1%</i>	
EBIT non-IFRS	6.8	5.2	+31%
NPAT non-IFRS	5.6	4.6	+23%

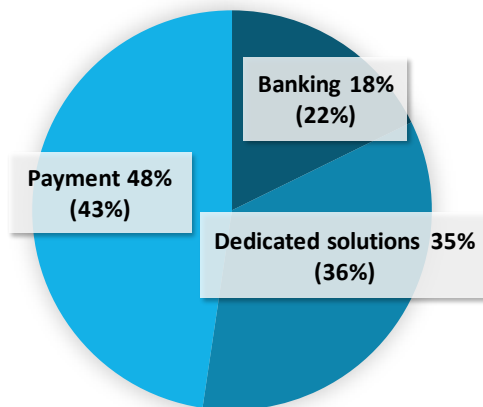
	mPLN		
	Q1 2020	Q1 2019	% Diff
Revenue	231.0	178.8	+29%
EBITDA	47.5	36.0	+32%
EBIT	28.4	21.6	+32%
NPAT	23.6	18.6	+27%
<i>EBITDA %</i>	<i>20.6%</i>	<i>20.1%</i>	
<i>EBIT %</i>	<i>12.3%</i>	<i>12.1%</i>	
EBIT non-IFRS	29.2	22.2	+31%
NPAT non-IFRS	24.1	19.6	+23%



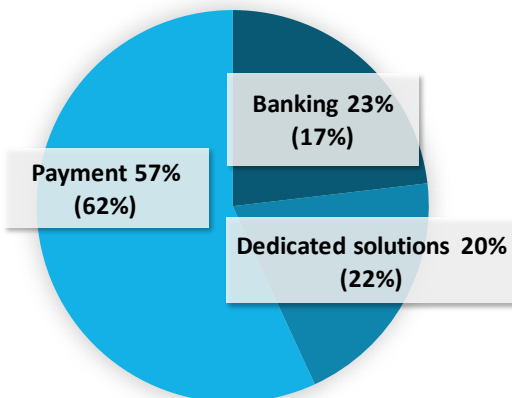
# 1Q'20: Growth in all segments. Higher efficiency in Banking

mEUR	Revenue			EBITDA			EBIT		
	Q1 2020	Q1 2019	Diff	Q1 2020	Q1 2019	Diff	Q1 2020	Q1 2019	Diff
Banking	9.3	9.0	0.4	2.1	1.3	0.7	1.5	0.8	0.6
Dedicated solutions	18.2	14.8	3.4	1.7	1.4	0.3	1.3	1.1	0.2
Non-Payment	27.5	23.7	3.8	3.8	2.8	1.1	2.8	1.9	0.9
Payment	25.0	17.9	7.2	7.0	5.6	1.4	3.7	3.1	0.6
<b>Asseco SEE Group</b>	<b>52.5</b>	<b>41.6</b>	<b>10.9</b>	<b>10.8</b>	<b>8.4</b>	<b>2.4</b>	<b>6.5</b>	<b>5.0</b>	<b>1.4</b>

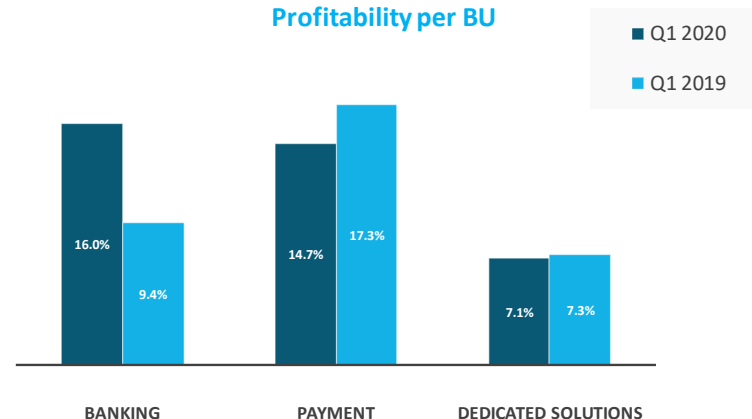
Revenue per BUs Q1 2020



EBIT per BUs Q1 2020



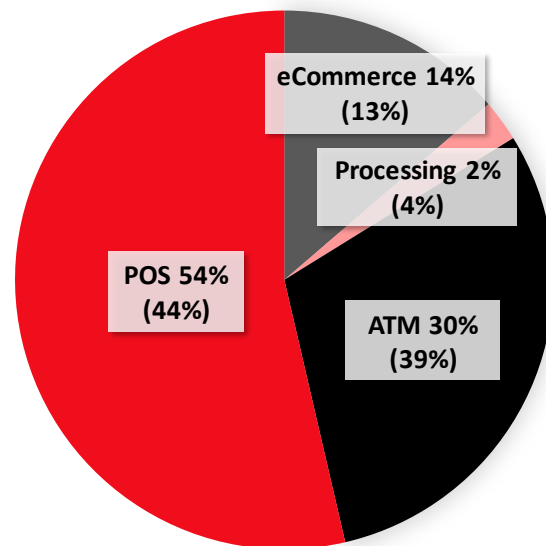
Profitability per BU



# 1Q'20: New acquisitions contributing mainly to POS

mEUR	Revenue		
	Q1 2020	Q1 2019	Diff
eCommerce	3.4	2.3	1.1
Processing	0.6	0.7	-0.1
ATM	7.6	6.9	0.6
POS	13.4	7.9	5.5
<b>Payment</b>	<b>25.0</b>	<b>17.9</b>	<b>7.2</b>

Revenue per BUs Q1 2020



## 1Q'20: Improvement in most markets. Strong Serbia

mEUR	Revenue				EBIT			
	Q1 2020	Q1 2019	Diff	% Diff	Q1 2020	Q1 2019	Diff	% Diff
B&H	1.7	2.1	-0.4	-17%	0.27	0.33	-0.06	-19%
Croatia	7.8	7.8	-0.1	-1%	0.66	0.77	-0.11	-14%
Iberia	6.2	4.2	2.0	+47%	0.06	0.16	-0.09	-60%
Latam	1.2	0.6	0.6	+90%	0.10	0.04	0.05	+124%
Macedonia	5.3	2.8	2.6	+93%	0.70	0.71	-0.01	-2%
Romania	6.0	5.6	0.4	+7%	0.28	0.00	0.28	
Serbia	16.1	14.0	2.0	+14%	1.93	1.27	0.66	+52%
Turkey	4.7	3.6	1.1	+30%	1.46	1.30	0.15	+12%
Central Europe	2.0	0.5	1.5	+276%	0.40	0.18	0.22	+121%
Other*	3.2	2.4	0.8	+33%	0.60	0.31	0.29	+94%
Eliminations	-1.7	-2.2	0.5		0.00	-0.06	0.06	
<b>GASEE</b>	<b>52.5</b>	<b>41.6</b>	<b>10.9</b>	<b>+26%</b>	<b>6.46</b>	<b>5.01</b>	<b>1.44</b>	<b>+29%</b>

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

# Liquidity

## Net cash down after traditionally weak cash flow in 1Q

mEUR	Asseco SEE Group		
	31 Mar '20	2019 YE	Diff
Cash and short term investments	38.0	47.0	-9.0
Lease liabilities	-15.0	-15.6	0.6
Financial liabilities	-21.2	-25.1	3.9
<b>Net Cash</b>	<b>1.7</b>	<b>6.3</b>	<b>-4.6</b>
Receivables and Prepayments	49.9	54.4	-4.5
Liabilities, Provisions and Deferred Income	-39.2	-57.1	17.8
Inventory	5.9	8.7	-2.8
<b>Operational Balance</b>	<b>18.3</b>	<b>12.3</b>	<b>5.9</b>

\* Financial liabilities including: short-term part of acquisition related liabilities (1,8m EUR), short-term loans (9,7m EUR) and long-term loans (9,7m EUR)

## Lower LTM cash flow after 1Q outflows

mEUR	Asseco SEE Group		
	Q1 2020 LTM	2019	2018
Operating cash flow*	36.1	38.1	29.2
- IT Infrastructure for outsourcing	-7.8	-10.0	-5.8
- infrastructure for IAD	-0.5	-0.5	-1.4
- Capitalized R&D	-0.2	0.0	-0.3
- M&A	-9.8	-10.6	0.0
- Other CAPEX	-2.2	-2.1	-2.6
Free cash flow	15.6	14.9	19.1
Debt Increase	11.2	12.7	3.8
Debt Service	-12.8	-12.3	-3.8
Total Cash Flow	13.9	15.2	19.0
Oper CF/EBITDA	118%	119%	119%
FCF/EBIT	83%	74%	128%

\*Excluding investment in outsourcing equipment presented in Inventory

# Our response to COVID-19

## Security and business continuity

- Majority of employees working from home
- All business trips and regular trainings cancelled
- Internal and external meetings take place – but only virtually
- Personal security measures at all our offices



## COVID-19 related threats

- **BPO (call center) customers at Necomplus Spain** exposed to overall economic slowdown, including tourism
- Dropping number of interventions reducing **revenues from POS maintenance** on few selected markets (mainly Spain)
- Slower **processing at Payten Serbia** and fewer DCC transactions
- Slowdown in tourism affecting independent **ATM network (MoneyGet)**
- Delays in infrastructure projects depending on **external vendors**
- Dropping number of **e-commerce transactions** in selected sectors

In all the above cases respective cost saving actions have been taken to minimize the input of expected slower business on P&L

## COVID-19 cost saving actions

- Traditional **salary increases** in all business lines have been **frozen**
- Much more **selective approach to recruitment** has been introduced
- **Enhanced holiday taking** in **Q2** has been introduced, depending on business line
- Depending on business line and local regulations (mostly Spain) **temporary lay-offs** were introduced
- **Revision** of all other **costs** resulting in selective **cancellations** or freezes has been made

## COVID-19 related opportunities

- Higher demand for **solutions assuring remote access to our customers' products/ services**, including Digital Edge, Adaptive Elements, Digital Origination, Live Virtual Branch and similar
- Growing demand for **solutions supporting online communication, remote document circulation and process automatization**, including Live Contact Center, Video Chat, Asseco Business Correspondence and all solutions from Business Process Management family
- Growing volume of **e-commerce transactions** in selected sectors
- Modifications to **implement regulatory changes** at banks and public institutions

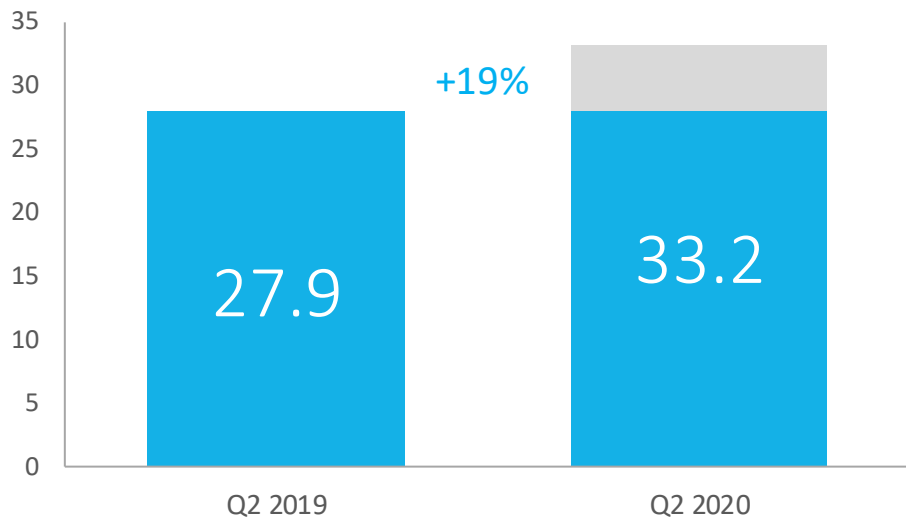
## Potential long-term consequences (+/-)

- Possible delays in long-term **implementation projects in progress**
- Delays or even resignation from **planned implementation projects** which are no longer critical for our customers
- Attempts to renegotiate or even cancel **long-term contracts** by our customers due to decreasing scale of their business
- Further delays in delivering infrastructure **projects depending on external vendors**
- Maintained **high demand for solutions** (mentioned on the slide above), assuring remote access to products/services, supporting online communication, remote document circulation and process automatization

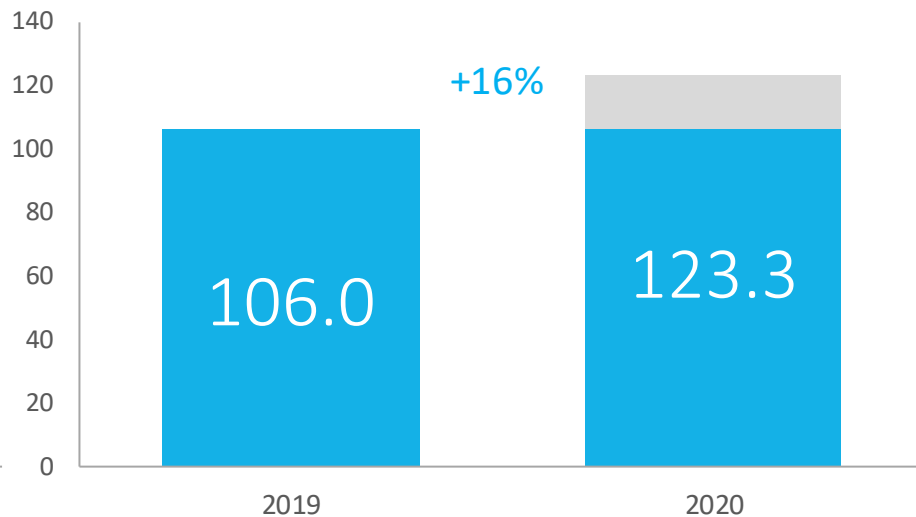
# Outlook for 2020

## Total ASEE Group incl. Payten

mEUR	Q2 2019	Q2 2020	% Diff
Revenues BL	35.3	46.3	+31%
Margin1 BL	27.9	33.2	+19%



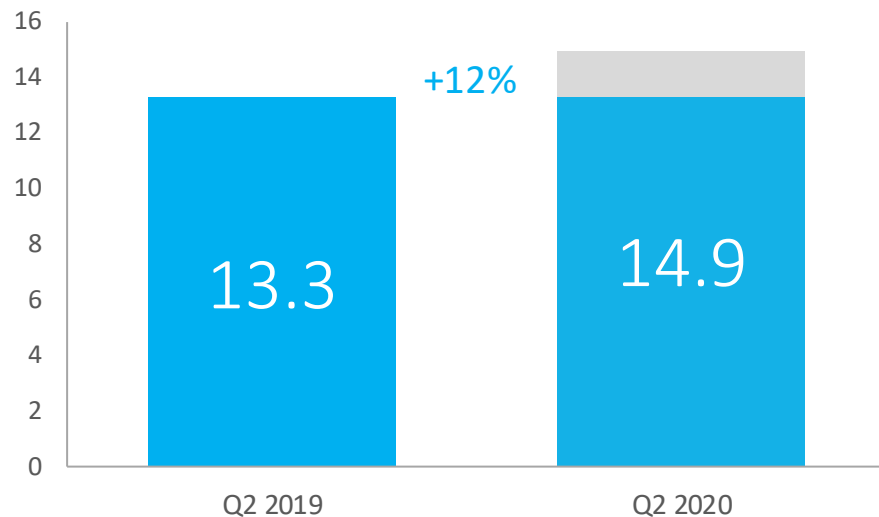
mEUR	2019	2020	% Diff
Revenues BL	135.5	176.9	+31%
Margin1 BL	106.0	123.3	+16%



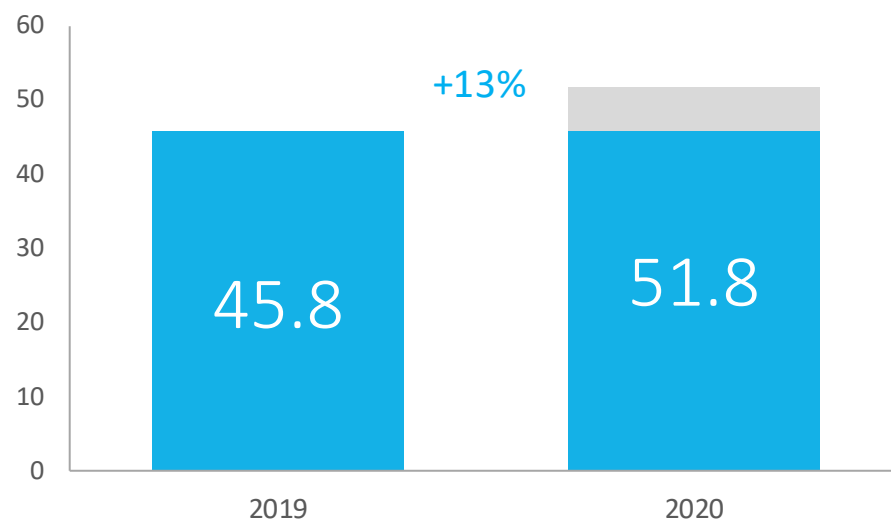
\* Backlog data as at April 24<sup>th</sup>, 2020

# Banking and Dedicated solutions

mEUR	Q2 2019	Q2 2020	% Diff
Revenues BL	20.5	22.7	+11%
Margin1 BL	13.3	14.9	+12%



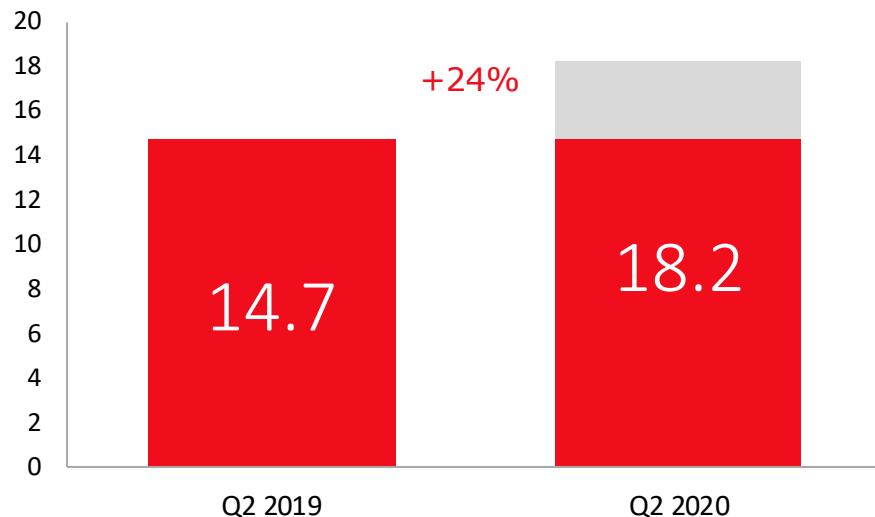
mEUR	2019	2020	% Diff
Revenues BL	69.8	91.1	+31%
Margin1 BL	45.8	51.8	+13%



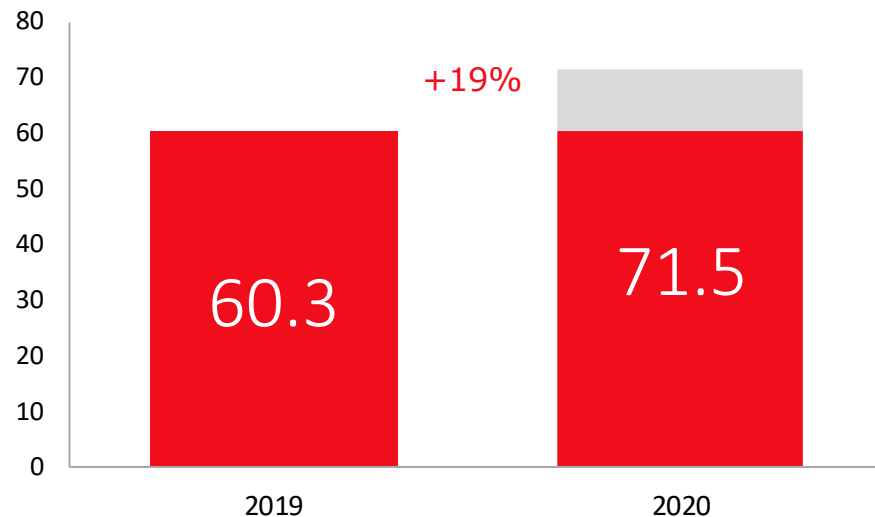
- Backlog data as at April 24<sup>th</sup>, 2020

# Payten

	mEUR	Q2 2019	Q2 2020	% Diff
Revenues BL		16.0	23.6	+48%
Margin1 BL		14.7	18.2	+24%



	mEUR	2019	2020	% Diff
Revenues BL		66.9	85.8	+28%
Margin1 BL		60.3	71.5	+19%



\* Backlog data as at April 24<sup>th</sup>, 2020



# Thank you

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