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SOUTH EASTERN EUROPE

# Financial Results for 2017 And Business Update

January 20th, 2018

Warsaw

# 2017 results

# Q4 2017 highlights

- Very strong quarter leading to historic record-high annual financial result for ASEEE Group
- Continued improvement at System Integration thanks to better project management and cost reductions
- Payment growing in all business lines
- Master Distribution Agreement for the region signed with Diebold Nixdorf
- Lower results in Banking because of revenue recognition and capitalized software written off

# Q4 ASEE Best Deals.

- **Banking Business Unit**
  - New functionalities (Core banking, digital channels, **Experience**) to a digital bank in Serbia
  - Management risk, collateral, **Experience, Tesauri** for 3 banks in Serbia
  - Core banking system to international bank in Romania
  - **Digital Edge** to one of the banks in Romania
  - **iBank** to one of the banks in Montenegro
  - **Jimba** for a bank in Croatia
  - **PFM** for one of the banking outsourcing group in Italy
  - **SEPA direct debit** to one of the banks in Croatia
  - **IFRS 9** solution to 2 banks in Romania
  - **AML** for an international bank in Macedonia
  - **SxS** to a bank in Romania and in Croatia
  - **PKI** to one of the banks in Croatia
- **System Integration**
  - **Live** to a telco operator in Croatia
  - Development of incident management system in the field of security for the Ministry of Trade, Tourism and Telco in Serbia
  - Sale of **Dynatrace APM** 3P solution to 4 clients in Turkey
  - Sale of **Leasflex** to 2 clients in Turkey
  - Sale of **Fidelity** modules to 2 clients in Turkey

# Q4 Payten Best Deals.

## ATM and POS Related Services

- Replacing 2.500 **POS terminals** in 5 years at Erste Card Club
- **ATM delivery** for Societe General group in Romania
- **POS outsourcing** and **ATMs delivery** to one of the banks in Macedonia
- ATM delivery to a Romanian bank

## eCommerce

- **NestPay** to one of the banks in Kosovo
- KomBank Ecosystem - e/m Commerce Instant Payment for one of the banks in Serbia

# Q4 2017: improving results driven by Integration and Payments

	mEUR			mPLN		
	Q4 2017	Q4 2016	% Diff	Q4 2017	Q4 2016	% Diff
Revenue	38,0	40,9	-7%	160,2	179,4	-11%
EBITDA	7,8	6,9	+13%	32,9	30,3	+8%
EBIT	5,2	4,6	+12%	21,8	20,3	+7%
NPAT*	4,3	4,6	-7%	18,1	20,3	-11%
EBITDA %	20,5%	16,9%				
EBIT %	13,6%	11,3%				

\* 2016 NPAT including revaluation of ASEE share in Emon +942k EUR

# FY 2017: another year of growing results

	mEUR			mPLN		
	2017	2016	% Diff	2017	2016	% Diff
Revenue	134,5	130,4	+3%	570,9	570,6	+0%
EBITDA	25,1	21,5	+17%	106,5	94,0	+13%
EBIT	15,5	13,0	+20%	65,9	56,8	+16%
NPAT	13,0	11,8	+10%	55,0	51,5	+7%
<i>EBITDA %</i>	<i>18,7%</i>	<i>16,5%</i>				
<i>EBIT %</i>	<i>11,5%</i>	<i>10,0%</i>				
Normalized EBIT*	15,7	13,0	+21%	66,8	56,8	+18%
Normalized NPAT*	13,2	10,8	+22%	55,9	47,4	+18%

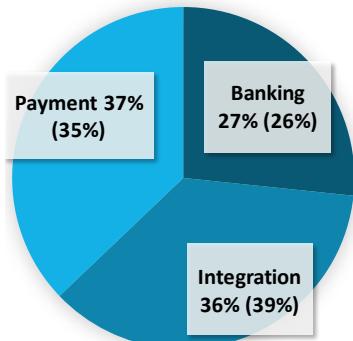
\* 2017 adjustments: Chipcard&Emon consolidation effect 55kEUR, Share Based Payment programme costs 270k eur

\* 2016 adjustments: revaluation of ASEEE share in Emon 942k EUR

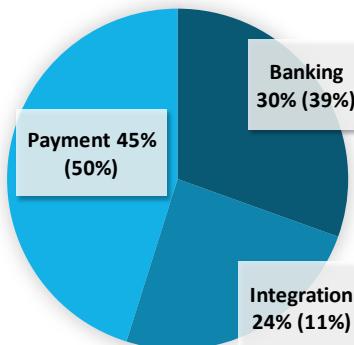
# Significant improvement in Integration, strong Payment

mEUR	Revenue			EBITDA			EBIT		
	2017	2016	Diff	2017	2016	Diff	2017	2016	Diff
Banking	35,9	33,4	2,4	6,2	6,6	-0,4	4,7	5,0	-0,2
Integration	48,7	51,4	-2,7	4,7	2,7	2,0	3,8	1,4	2,4
Non-Payment	84,6	84,8	-0,3	10,9	9,3	1,6	8,5	6,4	2,1
Payment	49,9	45,6	4,4	14,2	12,2	2,0	7,0	6,4	0,6
<b>Asseco SEE Group</b>	<b>134,5</b>	<b>130,4</b>	<b>4,1</b>	<b>25,1</b>	<b>21,5</b>	<b>3,6</b>	<b>15,5</b>	<b>13,0</b>	<b>2,5</b>

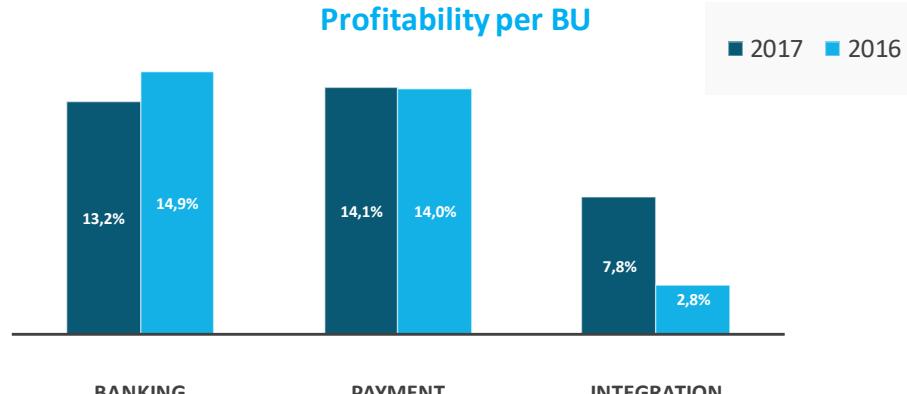
Revenue per BUs 2017



EBIT per BUs 2017



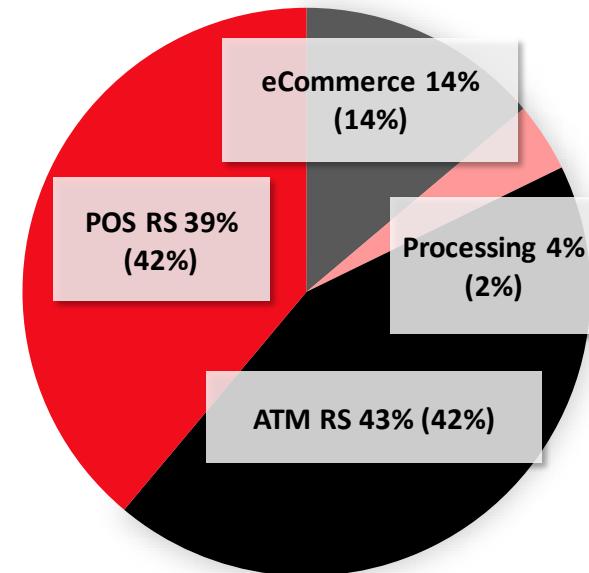
Profitability per BU



# Payment: improving results in all lines of business

mEUR	Revenue		
	2017	2016	Diff
eCommerce	6,9	6,5	0,4
Processing	2,0	1,1	0,9
ATM RS	21,6	19,0	2,6
POS RS	19,4	19,0	0,4
<b>Payment</b>	<b>49,9</b>	<b>45,6</b>	<b>4,4</b>

Revenue per BUs 2017



# Excellent results from Croatia, Serbia and BH

mEUR	Revenue				EBIT			
	2017	2016	Diff	% Diff	2017	2016	Diff	% Diff
B&H	4,1	4,2	0,0	-1%	1,1	0,6	0,4	+72%
Cro	23,4	20,8	2,6	+12%	3,6	2,3	1,3	+58%
Mon	2,5	2,3	0,1	+6%	0,8	0,6	0,2	+26%
Mac	10,9	14,0	-3,0	-22%	2,8	2,9	-0,1	-5%
Rom	31,2	28,9	2,3	+8%	1,5	1,1	0,4	+31%
Ser	38,5	37,5	1,0	+3%	4,4	3,5	1,0	+28%
Slo	5,6	3,6	2,1	+57%	0,5	0,4	0,1	+16%
Tur	12,4	13,4	-1,0	-7%	0,4	0,8	-0,4	-50%
Other*	5,9	5,8	0,1	+2%	0,4	0,7	-0,2	-34%
<b>GASEE</b>	<b>134,5</b>	<b>130,4</b>	<b>4,1</b>	<b>+3%</b>	<b>15,5</b>	<b>13,0</b>	<b>2,5</b>	<b>+20%</b>

\*Other entities include Kosovo, Albania, Bulgaria and Poland

# Good overall cash position

mEUR	Asseco SEE Group		
	2017 YE	2016 YE	Diff
Cash and cash equivalents	16,4	18,3	-1,9
Short term investments	11,5	9,5	2,1
Short term and long term debt	-10,8	-10,1	-0,7
<b>Net Cash</b>	<b>17,1</b>	<b>17,6</b>	<b>-0,5</b>
Receivables and Prepayments	35,1	35,6	-0,5
Liabilities, Provisions and Deffered Income	-35,2	-36,5	1,3
Inventory	5,9	5,3	0,6
<b>Operational Balance</b>	<b>23,0</b>	<b>22,0</b>	<b>1,0</b>

# Good cash conversion despite growing capex

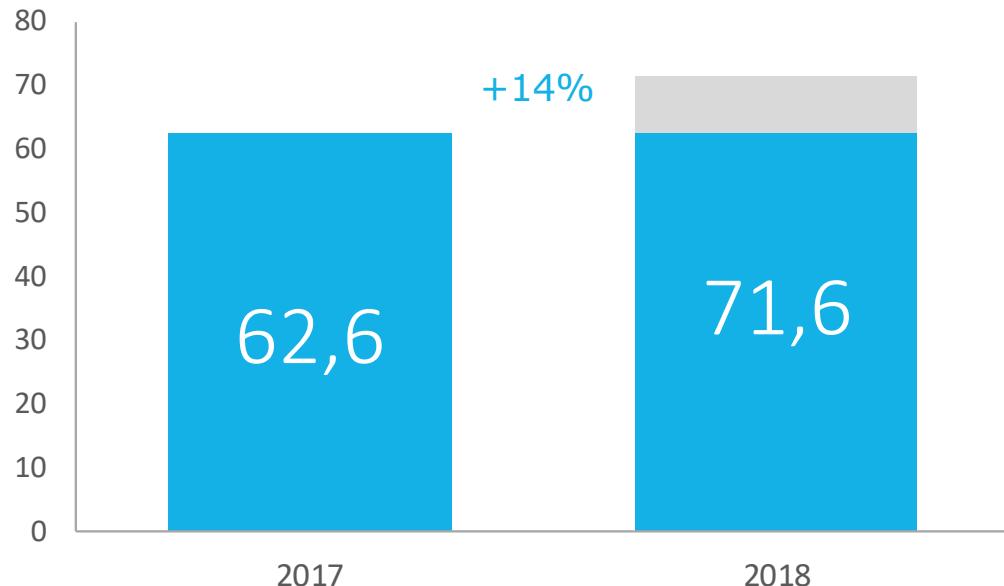
mEUR	Asseco SEE Group		
	2017	2016	2015
Operating cash flow*	22,7	21,6	18,4
- IT Infrastructure for outsourcing	-13,7	-6,1	-7,3
- Capitalized R&D	-0,8	-1,2	-1,2
- M&A	-0,2	-2,5	-0,4
- Other CAPEX	-1,9	-2,0	-2,0
Free cash flow	6,1	9,8	7,4
Debt Increase	5,2	2,9	4,3
Debt Service	-4,7	-4,0	-4,3
Total Cash Flow	6,5	8,7	7,5
Oper CF/EBITDA	90%	101%	92%
FCF/EBIT	39%	75%	59%

\* Excluding investment in outsourcing equipment presented in Inventory

# Outlook for 2018

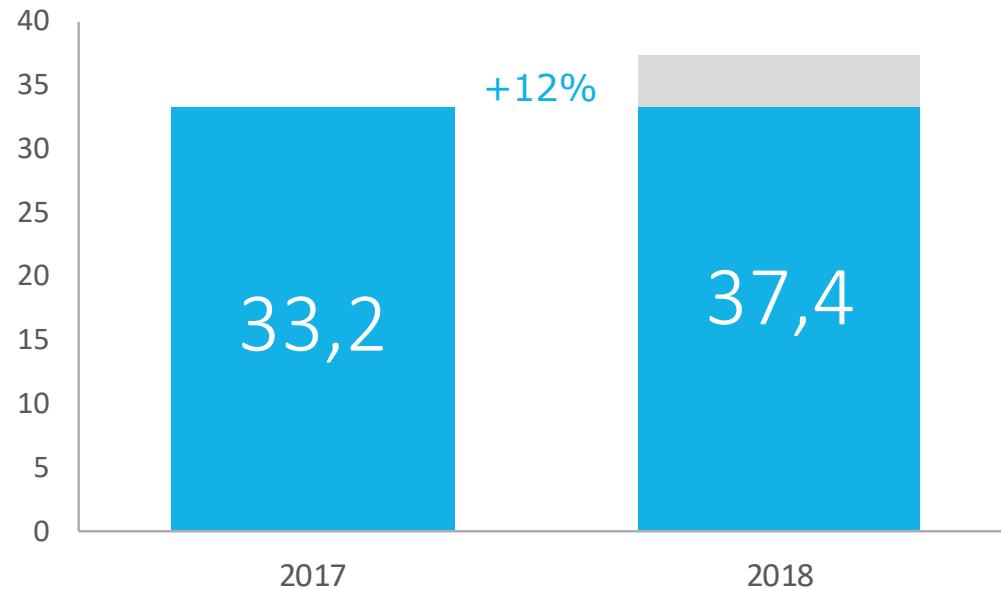
# Increase in backlog for 2018 – total Group

	<b>mEUR</b>	<b>2017</b>	<b>2018</b>	<b>% Diff</b>
Revenues BL		79,1	95,1	+20%
Margin1 BL		62,6	71,6	+14%



\* 2017 as at 12-Feb-2017, 2018 as at 12-Feb-2018

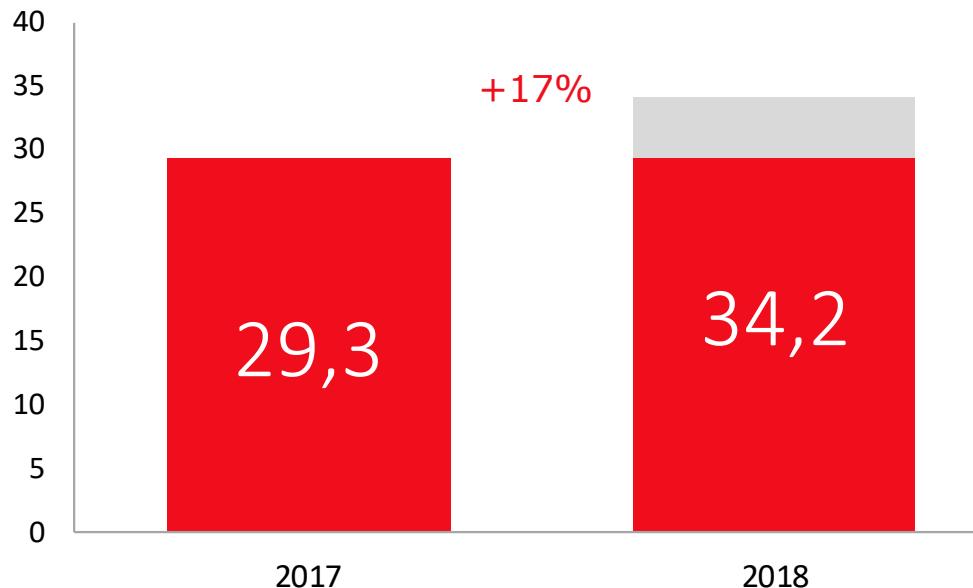
# Increase in backlog for 2018 – Non-Payment



\* 2017 as at 12-Feb-2017, 2018 as at 12-Feb-2018

# Increase in backlog for 2018 – Payment

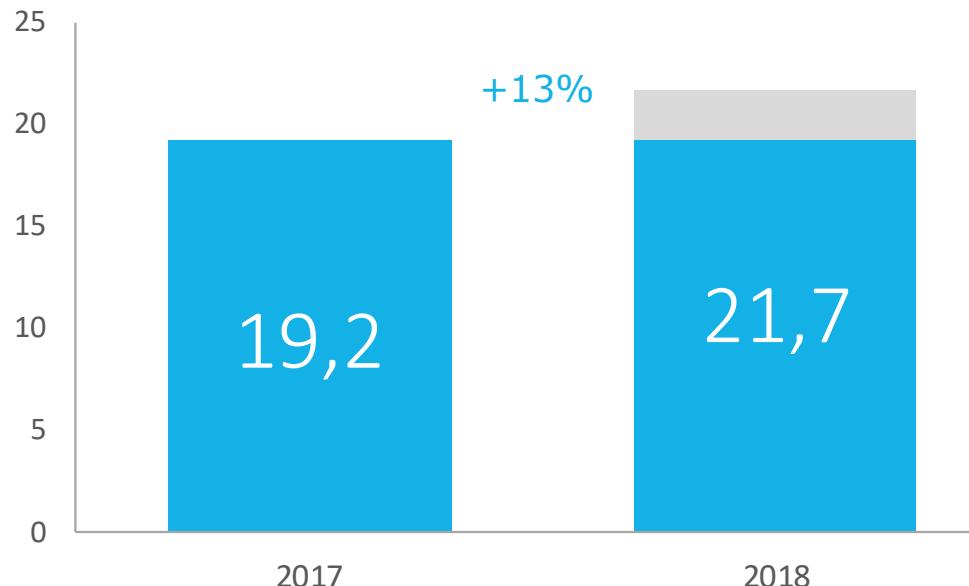
	<b>mEUR</b>	<b>2017</b>	<b>2018</b>	<b>% Diff</b>
Revenues BL		33,3	40,0	+20%
Margin1 BL		29,3	34,2	+17%



\* 2017 as at 12-Feb-2017, 2018 as at 12-Feb-2018

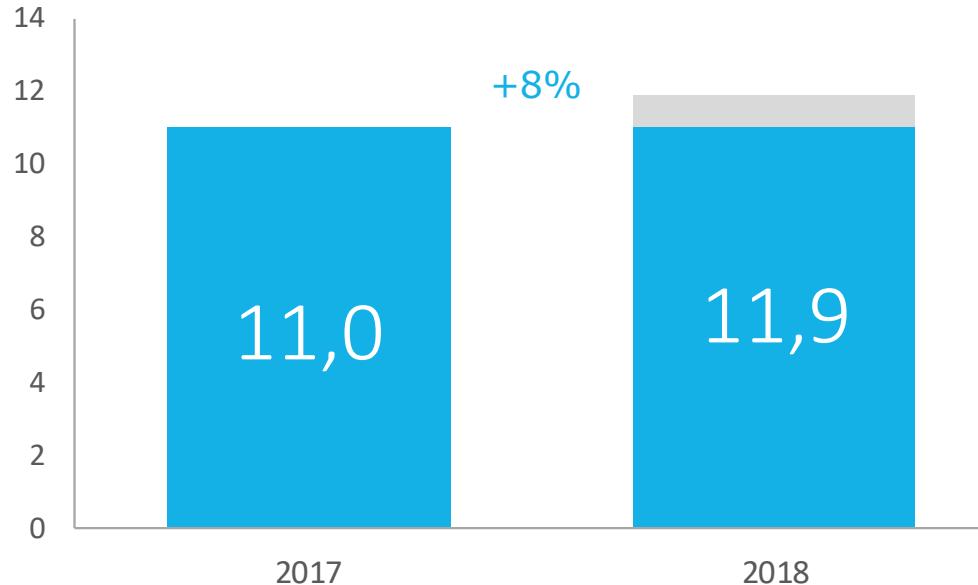
# Increase in backlog for Q1 2018 – total Group

	<b>mEUR</b>	<b>2017</b>	<b>2018</b>	<b>% Diff</b>
Revenues BL		29,0	33,6	+16%
Margin1 BL		19,2	21,7	+13%



# Increase in backlog for Q1 2018 – Non-Payment

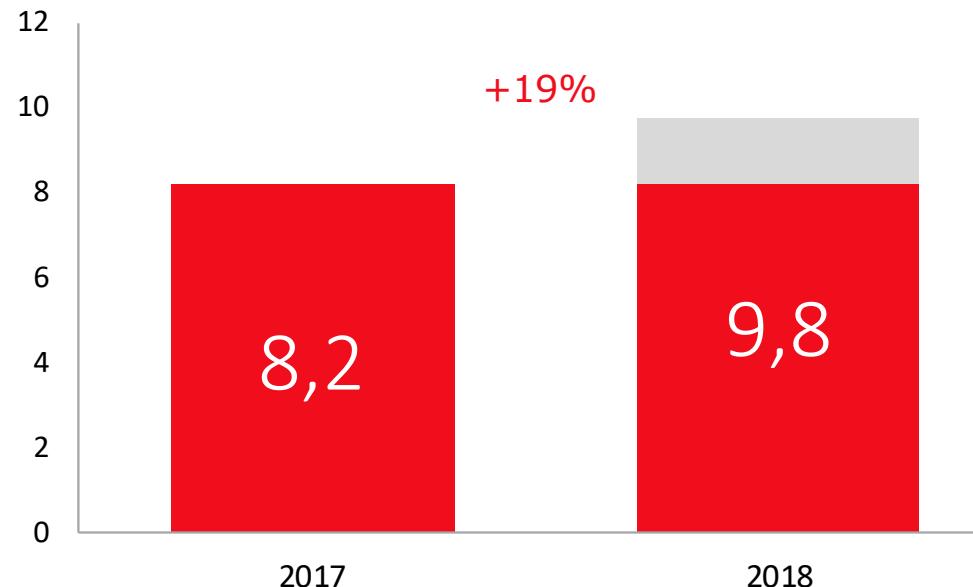
mEUR	2017	2018	% Diff
Revenues BL	17,8	19,0	+6%
Margin1 BL	11,0	11,9	+8%



\* 2017 as at 12-Feb-2017, 2018 as at 12-Feb-2018

# Increase in backlog for Q1 2018 – Payment

	mEUR	2017	2018	% Diff
Revenues BL		11,1	14,6	+31%
Margin1 BL		8,2	9,8	+19%



\* 2017 as at 12-Feb-2017, 2018 as at 12-Feb-2018

# Thank you

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