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SOUTH EASTERN EUROPE

# Financial Results for 2016 And Business Update

February 17th, 2017

Warsaw

# 2016 results

# Q4 2016 highlights

- The best quarter for Banking mostly due to authentication, contract with International banking group for the whole region (including Africa) and banking improvement in Romania
- Higher sales in Payments thanks to revenue from new business lines and hardware deliveries
- Increased interest in ASEE contact center/ticketing propriety solution Live including a contract for Eurasia Tunnel (Turkey)
- Acquiring 25% in E-Mon to take over control and additional 8.1% in ChipCard
- Changes in local management teams continued

## Q4 2016: strong quarter, especially for Banking

	mEUR			mPLN		
	Q4 2016	Q4 2015	% Diff	Q4 2016	Q4 2015	% Diff
Revenue	40,9	32,9	+24%	179,4	139,7	+28%
EBITDA	6,9	5,3	+29%	30,3	22,7	+33%
EBIT	4,6	3,4	+37%	20,3	14,4	+41%
NPAT	4,6	2,6	+78%	20,3	11,1	+83%
<i>EBITDA %</i>	<i>16,9%</i>	<i>16,3%</i>				
<i>EBIT %</i>	<i>11,3%</i>	<i>10,3%</i>				

# FY 2016: good results after strong Q4

	mEUR			mPLN		
	2016	2015	% Diff	2016	2015	% Diff
Revenue	130,4	116,4	+12%	570,6	487,2	+17%
EBITDA	21,5	19,9	+8%	94,0	83,4	+13%
EBIT	13,0	12,7	+2%	56,8	53,1	+7%
NPAT	11,8	10,4	+13%	51,5	43,5	+18%
EBITDA %	16,5%	17,1%				
EBIT %	10,0%	10,9%				

- 2015 including return of tax on civil law transactions overpaid in 2008-10; positive impact on EBIT=140k EUR, NPAT=260k EUR
- 2016: consolidation of ChipCard and E-Mon increasing Revenues by 1,25m EUR
- 2016: revaluation of ASEE share in E-Mon with positive impact on NPAT = 942k EUR
- 2016: capitalized software development expenses=1,3m EUR, related amortization=2,3m EUR (negative impact on EBIT=1,0m EUR vs. 0,5 mln EUR in 2015)

# Significant improvement in Croatia, difficult year for Turkey

mEUR	Revenue				EBIT			
	2016	2015	Diff	% Diff	2016	2015	Diff	% Diff
B&H	4,2	3,7	0,4	+12%	0,6	0,6	0,0	-1%
Cro	20,8	18,7	2,1	+11%	2,3	1,2	1,1	+88%
Mon	2,3	1,9	0,4	+23%	0,7	0,5	0,1	+22%
Mac	14,0	12,7	1,3	+10%	2,9	2,8	0,1	+4%
Rom	28,9	23,8	5,1	+21%	1,1	0,7	0,4	+55%
Ser	37,5	32,2	5,2	+16%	3,5	3,7	-0,2	-5%
Slo	3,6	3,1	0,5	+16%	0,4	0,5	0,0	-10%
Tur	13,4	12,9	0,5	+4%	0,8	1,7	-0,9	-55%
Other*	5,8	7,4	-1,6	-21%	0,6	0,9	-0,2	-25%
<b>GASEE</b>	<b>130,4</b>	<b>116,4</b>	<b>14,0</b>	<b>+12%</b>	<b>13,0</b>	<b>12,7</b>	<b>0,3</b>	<b>+2%</b>

\*Other entities include Kosovo, Albania, Bulgaria and Poland; data for 2015 with positive impact (140k EUR) of returned tax on civil law transactions overpaid in 2008-10

# Safe liquidity position before 2017 dividend payment

mEUR	Asseco SEE Group		
	2016 YE	2015 YE	Diff
Cash and cash equivalents	18,3	9,8	8,5
Short term investments	9,5	14,6	-5,1
Short term and long term debt	-10,1	-10,6	0,6
<b>Net Cash</b>	<b>17,6</b>	<b>13,7</b>	<b>3,9</b>
Receivables and Prepayments	35,6	27,2	8,4
Liabilities, Provisions and Deferred Income	-36,5	-26,0	-10,6
Inventory	5,3	3,6	1,7
<b>Operational Balance</b>	<b>22,0</b>	<b>18,5</b>	<b>3,4</b>



# Strong Q4 improved 2016 ratios

mEUR	Asseco SEE Group		
	2016	2015	2014
Operating cash flow*	21,6	18,4	18,2
- IT Infrastructure for outsourcing	-6,1	-7,3	-10,4
- Capitalized R&D	-1,2	-1,2	-1,9
- M&A	-2,5	-0,4	0,0
- Other CAPEX	-2,0	-2,0	-2,4
Free cash flow	9,8	7,4	3,4
Debt Increase	2,9	4,3	10,5
Debt Service	-4,0	-4,3	-3,0
Total Cash Flow	8,7	7,5	10,9
Oper CF/EBITDA	101%	92%	110%
FCF/EBIT	75%	59%	30%

\* Excluding investment in outsourcing equipment presented in Inventories

# Banking regenerated after good Q4, invariably strong Payment

mEUR	Revenue		
	2016	2015	Diff
Banking	33,4	32,1	1,3
Payments	45,6	38,3	7,3
Integration	51,4	46,0	5,4
<b>Asseco SEE Group</b>	<b>130,4</b>	<b>116,4</b>	<b>14,0</b>

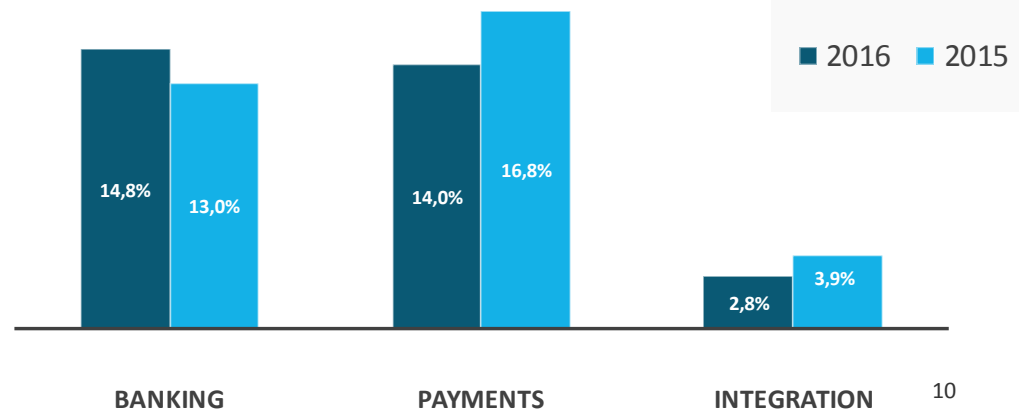
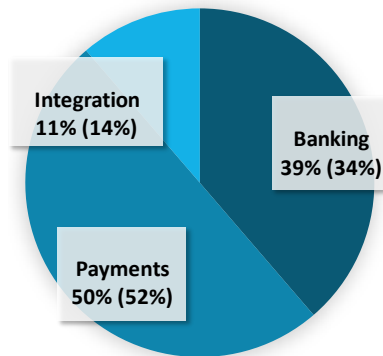
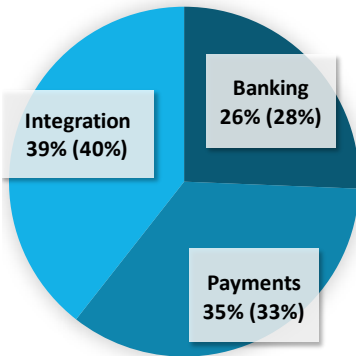
	EBITDA		
	2016	2015	Diff
Banking	6,5	5,6	0,8
Payments	12,2	11,0	1,3
Integration	2,6	2,9	-0,3
<b>Asseco SEE Group</b>	<b>21,5</b>	<b>19,9</b>	<b>1,6</b>

	EBIT		
	2016	2015	Diff
Banking	4,9	4,2	0,8
Payments	6,4	6,4	0,0
Integration	1,4	1,8	-0,3
<b>Asseco SEE Group</b>	<b>13,0</b>	<b>12,7</b>	<b>0,3</b>

Revenue per BUs 2016

EBIT per BUs 2016

Profitability per BU



# Q4 2016 Best Deals

## Banking

- Extension of **Mobile banking** project for the whole region for one of the international banking groups
- **Mobile banking** for one of the international Italian banks in BiH
- **Digital Edge** for online banking for one of the Italian banks in Romania and another bank in Serbia
- **SxS** at one of the banks in Italy and a regional bank in BiH
- **iBank** at two banks in Belgrade
- **Experience Collateral Management** and **PUB2000** core banking and payment for a bank in Serbia
- **Core banking** for Romanian bank
- **Tezauri** for a bank in Macedonia
- **Treasury** and **Collateral Management** for one of the banks in Macedonia
- **Insurance and factoring** for AOFI (Export Credit and Insurance Agency) in Serbia

## Payment

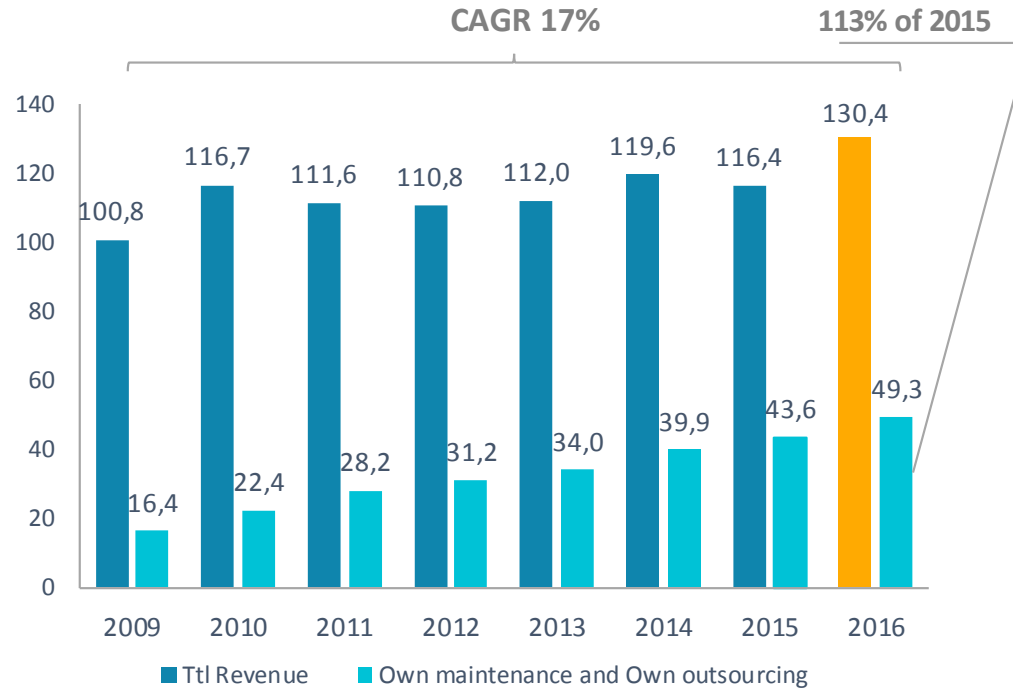
- **Paperless Branch - Electronic signature solution** for UniCredit Bank in Serbia.
- **MSU** implementations at Eurasia Tunnel in Istanbul, the largest Turkish bank and an oil company in Turkey
- Delivery of **ATMs** to Zagrebačka banka in Croatia, UniCredit bank in BiH and one of the banks in Macedonia

## System Integration

- **Live** contact center solution for Eurasia Tunnel in Istanbul, for Water Supply Company in Macedonia, Ministry of Trade, Tourism and Telecommunications and one bank in Serbia
- Various **Leaseflex** modules implemented at 2 leasing companies and a consumer finance company in Turkey
- Dynatrace APM for a large local customer in Turkey
- Plant Facility Management Solution (EPFM) for Electric Power Industry of Serbia
- Cisco solutions for Makedonski Telekom
- Infrastructure delivery for 2 international banks in Romania

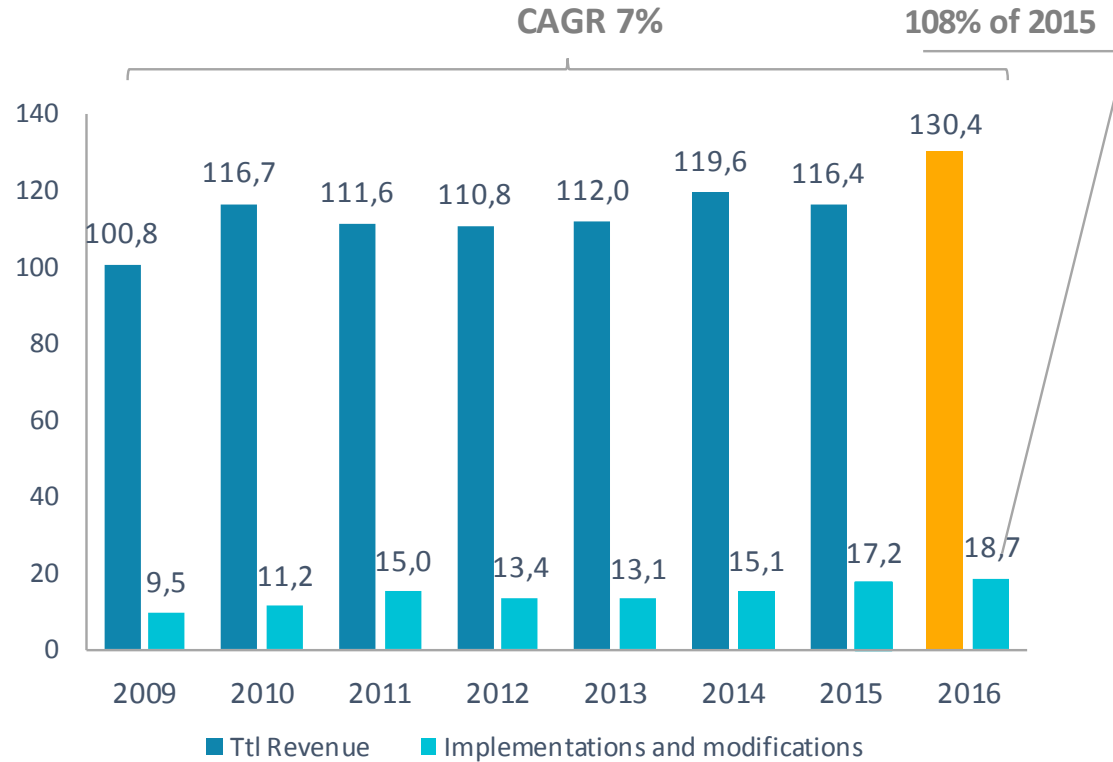
# Strategic KPIs

## Maintenance and Outsourcing

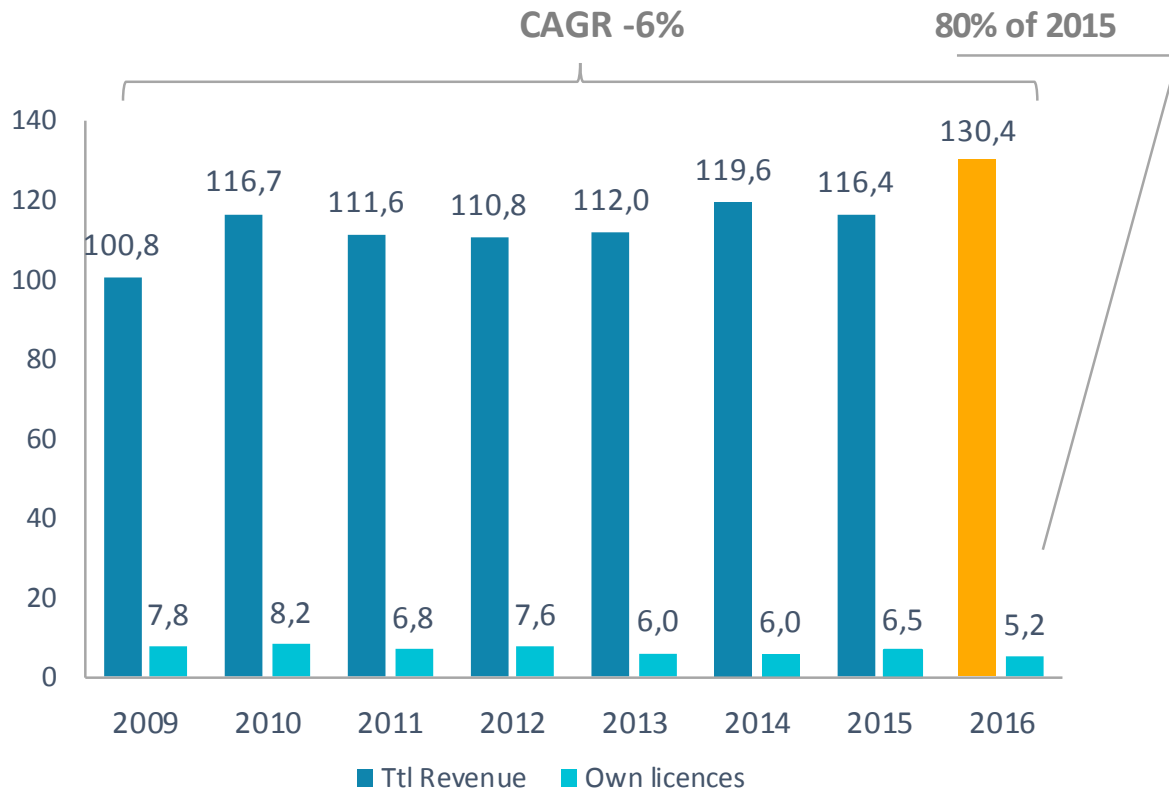


	2009	2010	2011	2012	2013	2014	2015	2016
Cost Coverage	53%	56%	60%	61%	60%	66%	67%	70%

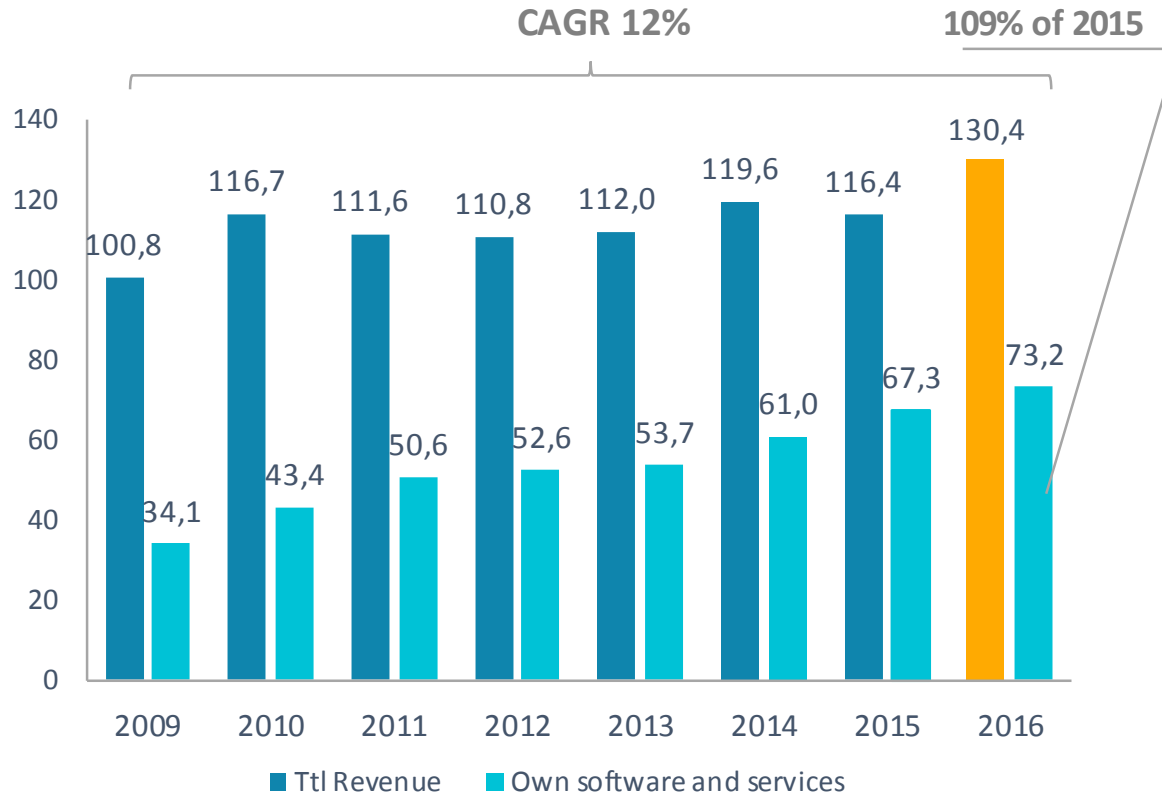
## Implementations and Modifications



## Licences



## Own software and services

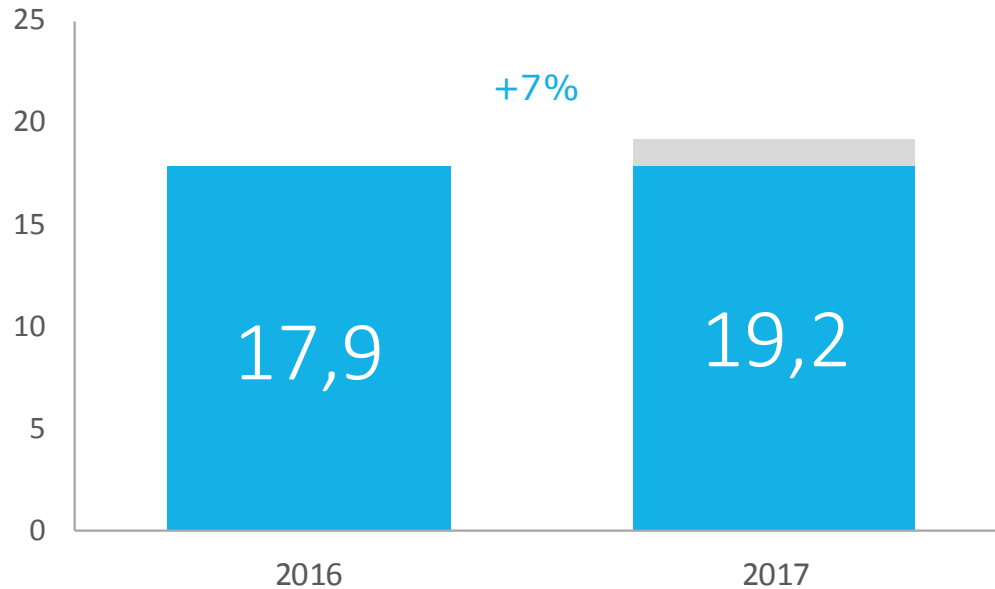




# Outlook for 2017

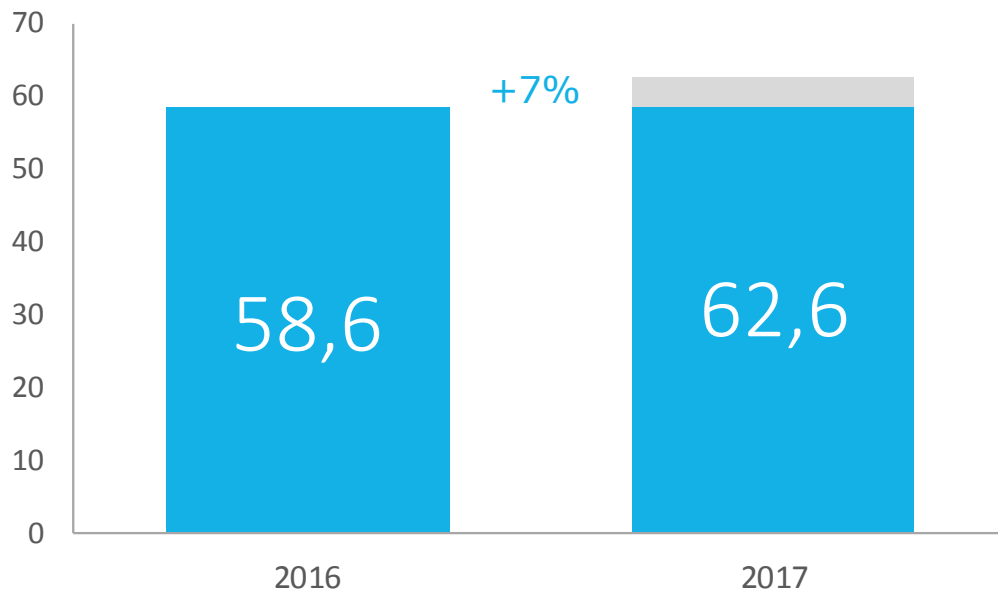
# Increase in backlog for Q1 2017

mEUR	2016*	2017*	% Diff
Revenues BL	27,0	29,0	+7%
Margin1 BL	17,9	19,2	+7%



\* 2016 as at 12-Feb-2016, 2017 as at 12-Feb-2017

# Increase in backlog for 2017



mEUR	2016*	2017*	% Diff
Revenues BL	77,5	79,1	+2%
Margin1 BL	58,6	62,6	+7%


\* 2016 as at 12-Feb-2016, 2017 as at 12-Feb-2017

# Thank you

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