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SOUTH EASTERN EUROPE

# Financial Results for Q3 2017

## And Business Update

October 27th, 2017

Warsaw

# Q3 2017 results

## Q3 2017 highlights

- Another quarter of good financial results mainly due to better performance by Integration
- Historically record high contract for core-banking implementation signed with NKBM in Slovenia
- Regional outsourcing contract for around 600 ATMs with Addiko Bank in Croatia, Slovenia, Bosnia&Hercegovina, Serbia and Montenegro
- First Payten entity registered in Croatia

# Q3 2017 Best Deals

## Banking

- **Core banking** for NKBM\*
- **iWallet** for a telekom company in Serbia
- **IFRS 9** for banks in Montenegro and in Romania
- **PUB CMS** for an international bank in Montenegro
- **Tezauri BASEL III** for two banks in Serbia
- **SxS** for an international banking group IT provider

## Payment

- **ATM outsourcing** for one of the banks in Croatia
- **Delivery ATM CashIn** for a bank in Kosovo (**NLB**)
- **MSU** for two companies in Turkey (energy and car tracking)

## System Integration

- **Fidelity** for a bank in Turkey
- **Dynatrace** third party solution for public administration (Municipality), an airline and an e-commerce company
- **Java BPM solutions** for 3 clients in Romania (technology and bank)
- Asseco proprietary **BPS solution** and 3rd party back up software for M:tel in Serbia
- Tailor made system for capital gains – Tax Administration of Serbia

\* Value of transaction amounts to EUR 9,4 mln and includes the sale of license, implementation of the whole project as planned and rendering maintenance services for 5 years after the implementation

# Q3 2017: improving results driven by Integration

|                 | mEUR         |              |        | mPLN    |         |        |
|-----------------|--------------|--------------|--------|---------|---------|--------|
|                 | Q3 2017      | Q3 2016      | % Diff | Q3 2017 | Q3 2016 | % Diff |
| Revenue         | 29,9         | 30,2         | -1%    | 127,8   | 131,2   | -3%    |
| EBITDA          | 5,5          | 5,0          | +10%   | 23,7    | 21,9    | +8%    |
| EBIT            | 3,1          | 2,9          | +8%    | 13,3    | 12,5    | +7%    |
| NPAT            | 2,6          | 2,5          | +4%    | 11,2    | 10,9    | +2%    |
| <i>EBITDA %</i> | <i>18,5%</i> | <i>16,7%</i> |        |         |         |        |
| <i>EBIT %</i>   | <i>10,4%</i> | <i>9,5%</i>  |        |         |         |        |

# 1-3Q 2017: dynamic growth despite slower Q3

|                 | mEUR         |              |        | mPLN      |           |        |
|-----------------|--------------|--------------|--------|-----------|-----------|--------|
|                 | Q1-3 2017    | Q1-3 2016    | % Diff | Q1-3 2017 | Q1-3 2016 | % Diff |
| Revenue         | 96,5         | 89,5         | +8%    | 410,6     | 391,2     | +5%    |
| EBITDA          | 17,3         | 14,6         | +19%   | 73,6      | 63,7      | +16%   |
| EBIT            | 10,3         | 8,3          | +24%   | 44,1      | 36,5      | +21%   |
| NPAT            | 8,7          | 7,2          | +21%   | 36,9      | 31,3      | +18%   |
| <i>EBITDA %</i> | <i>17,9%</i> | <i>16,3%</i> |        |           |           |        |
| <i>EBIT %</i>   | <i>10,7%</i> | <i>9,3%</i>  |        |           |           |        |

Consolidation of ChipCard and E-Mon increasing Q1-3'17 Revenues by 1,0m EUR and EBIT by 63k EUR

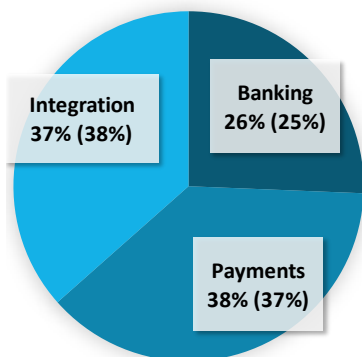
## Banking and Integration improving compared to last year

| mEUR                    | Revenue     |             |            |
|-------------------------|-------------|-------------|------------|
|                         | Q1-3 2017   | Q1-3 2016   | Diff       |
| Banking                 | 24,7        | 22,5        | 2,2        |
| Payments                | 36,5        | 32,7        | 3,8        |
| Integration             | 35,2        | 34,4        | 0,9        |
| <b>Asseco SEE Group</b> | <b>96,5</b> | <b>89,5</b> | <b>6,9</b> |

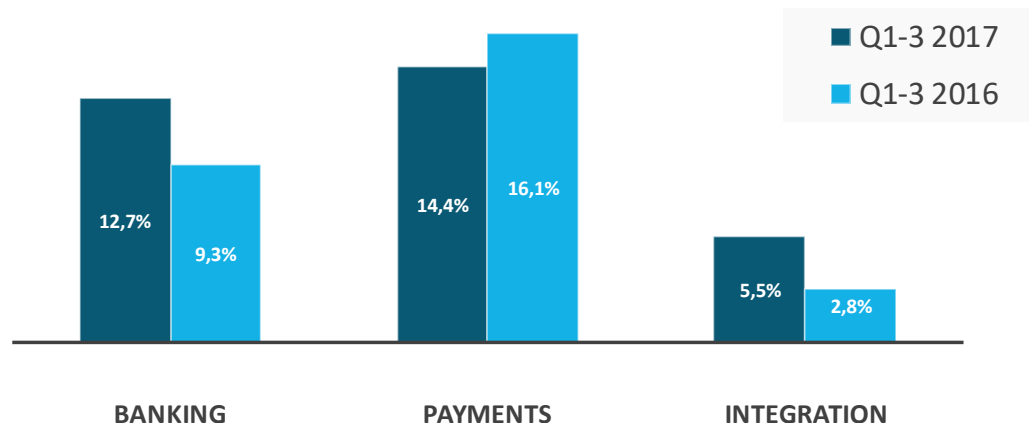
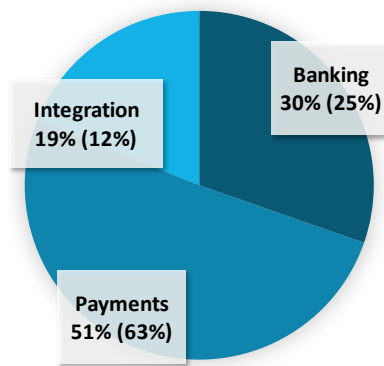
|                         | EBITDA      |             |            |
|-------------------------|-------------|-------------|------------|
|                         | Q1-3 2017   | Q1-3 2016   | Diff       |
| Banking                 | 4,2         | 3,2         | 1,0        |
| Payments                | 10,5        | 9,5         | 1,0        |
| Integration             | 2,6         | 1,8         | 0,8        |
| <b>Asseco SEE Group</b> | <b>17,3</b> | <b>14,6</b> | <b>2,7</b> |

|                         | EBIT        |            |            |
|-------------------------|-------------|------------|------------|
|                         | Q1-3 2017   | Q1-3 2016  | Diff       |
| Banking                 | 3,1         | 2,1        | 1,1        |
| Payments                | 5,2         | 5,3        | 0,0        |
| Integration             | 1,9         | 1,0        | 1,0        |
| <b>Asseco SEE Group</b> | <b>10,3</b> | <b>8,3</b> | <b>2,0</b> |

Revenue per BUs Q1-3 2017



EBIT per BUs Q1-3 2017



# Excellent results from Banking and Payments in Croatia, progress in BH, Romania, Serbia

| mEUR         | Revenue     |             |            |            | EBIT        |            |            |             |
|--------------|-------------|-------------|------------|------------|-------------|------------|------------|-------------|
|              | Q1-3 2017   | Q1-3 2016   | Diff       | % Diff     | Q1-3 2017   | Q1-3 2016  | Diff       | % Diff      |
| B&H          | 3,0         | 2,9         | 0,1        | +5%        | 0,8         | 0,5        | 0,3        | +55%        |
| Cro          | 17,4        | 14,2        | 3,3        | +23%       | 2,4         | 0,7        | 1,7        | +246%       |
| Mon          | 1,6         | 1,7         | 0,0        | -2%        | 0,5         | 0,5        | 0,0        | -9%         |
| Mac          | 8,0         | 8,9         | -1,0       | -11%       | 1,7         | 1,9        | -0,2       | -11%        |
| Rom          | 23,5        | 18,1        | 5,4        | +30%       | 0,8         | 0,4        | 0,4        | +81%        |
| Ser          | 26,7        | 26,9        | -0,2       | -1%        | 2,8         | 2,4        | 0,4        | +16%        |
| Slo          | 3,2         | 2,8         | 0,4        | +15%       | 0,4         | 0,4        | 0,0        | -4%         |
| Tur          | 9,0         | 10,0        | -1,0       | -10%       | 0,8         | 1,0        | -0,2       | -17%        |
| Other*       | 4,0         | 4,2         | -0,1       | -3%        | 0,1         | 0,4        | -0,3       | -70%        |
| <b>GASEE</b> | <b>96,5</b> | <b>89,5</b> | <b>6,9</b> | <b>+8%</b> | <b>10,3</b> | <b>8,3</b> | <b>2,0</b> | <b>+24%</b> |

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

# Good overall cash position

| mEUR                                        | Asseco SEE Group |             |             |
|---------------------------------------------|------------------|-------------|-------------|
|                                             | Q3 2017          | 2016 YE     | Diff        |
| Cash and cash equivalents                   | 14,0             | 18,3        | -4,3        |
| Short term investments                      | 5,4              | 9,5         | -4,0        |
| Short term and long term debt               | -10,3            | -10,1       | -0,2        |
| <b>Net Cash</b>                             | <b>9,1</b>       | <b>17,6</b> | <b>-8,6</b> |
| Receivables and Prepayments                 | 27,3             | 35,6        | -8,3        |
| Liabilities, Provisions and Deferred Income | -22,2            | -36,5       | 14,3        |
| Inventory                                   | 4,8              | 5,3         | -0,6        |
| <b>Operational Balance</b>                  | <b>18,9</b>      | <b>22,0</b> | <b>-3,1</b> |

# Good cash conversion despite growing capex

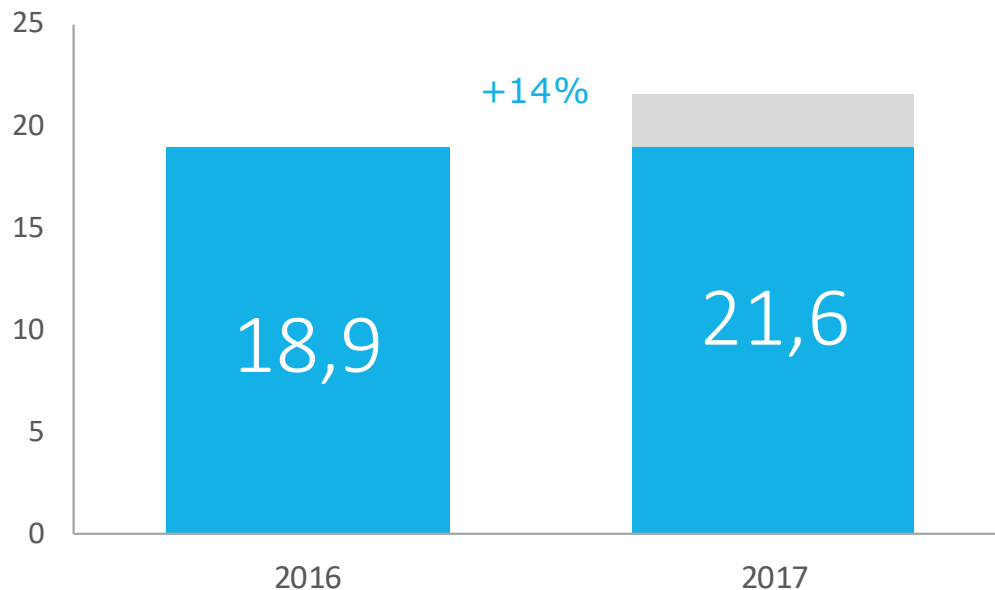
| mEUR                                | Asseco SEE Group |      |      |
|-------------------------------------|------------------|------|------|
|                                     | Q3 2017 LTM      | 2016 | 2015 |
| Operating cash flow*                | 23,7             | 21,6 | 18,4 |
| - IT Infrastructure for outsourcing | -10,3            | -6,1 | -7,3 |
| - Capitalized R&D                   | -1,1             | -1,2 | -1,2 |
| - M&A                               | -1,0             | -2,5 | -0,4 |
| - Other CAPEX                       | -2,4             | -2,0 | -2,0 |
| Free cash flow                      | 9,0              | 9,8  | 7,4  |
| Debt Increase                       | 3,3              | 2,9  | 4,3  |
| Debt Service                        | -4,2             | -4,0 | -4,3 |
| Total Cash Flow                     | 8,1              | 8,7  | 7,5  |
| Oper CF/EBITDA                      | 98%              | 101% | 92%  |
| FCF/EBIT                            | 60%              | 75%  | 59%  |

\* Excluding investment in outsourcing equipment presented in Inventory

# Outlook for 2017

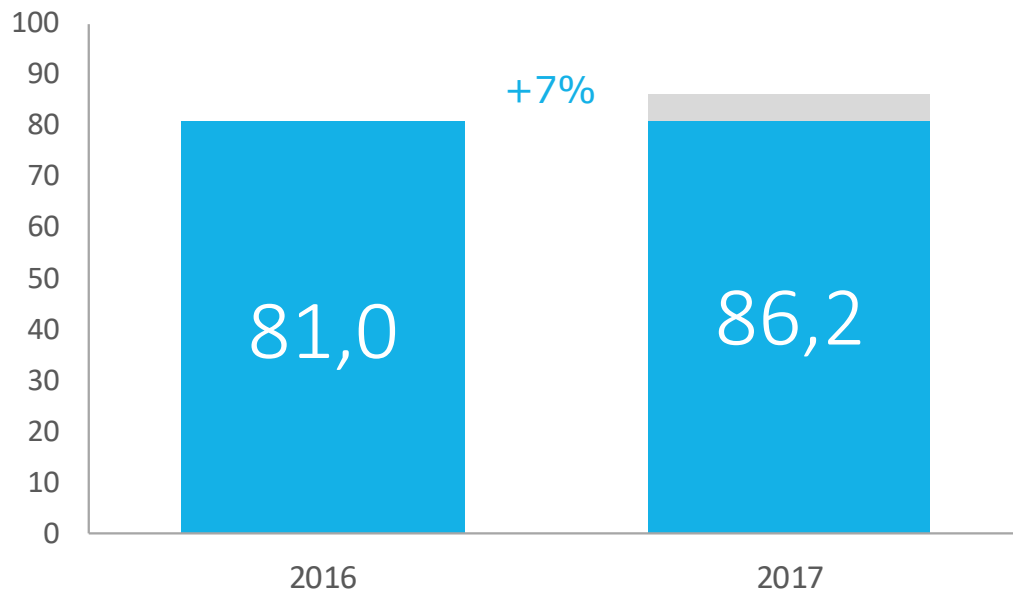
# Increase in backlog for Q4 2017

| mEUR        | 2016 | 2017 | % Diff |
|-------------|------|------|--------|
| Revenues BL | 30,3 | 28,5 | -6%    |
| Margin1 BL  | 18,9 | 21,6 | +14%   |



\* 2016 as at 11-Oct-2016, 2017 as at 12-Oct-2017

# Increase in backlog for 2017



| mEUR        | 2016  | 2017  | % Diff |
|-------------|-------|-------|--------|
| Revenues BL | 126,8 | 125,0 | -1%    |
| Margin1 BL  | 81,0  | 86,2  | +7%    |

\* 2016 as at 11-Oct-2016, 2017 as at 12-Oct-2017

# Thank you

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

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