

asreco

Asseco Group Results

FY 2015

Asseco Group in 2015

A very successful year for Asseco Group

Dynamic business expansion in foreign markets

- Significant increase in revenues of all our Israeli companies.
- Higher profitability of Asseco South Eastern Europe.
- Business development in the region of Central Europe.

Growth of the Group through acquisitions

- Entering into new markets – Portugal and Africa – acquisition of Exictos.
- New companies in Asseco Central Europe.
- Acquisition of Infovide-Matrix and Unizeto.

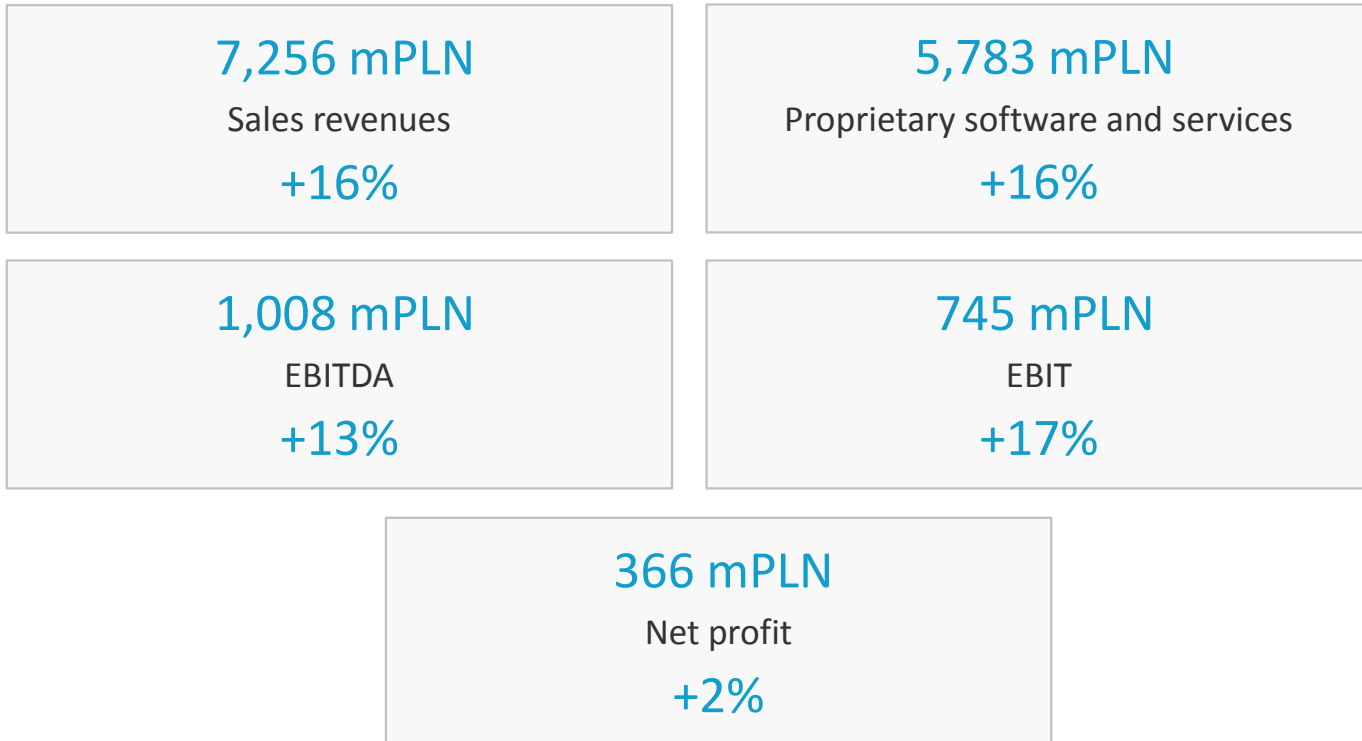
Simplification of the Group's structure

- Building a competence center for the insurance industry – Sapiens and Inseco.
- Sale of our shareholding in Matrix42.
- Establishing of Asseco Data Systems.

Record-breaking results of Asseco Group

- More than **PLN 7.2 billion** in sales revenues.
- Record-high operating profit of **PLN 745 million**.
- More than **20 thousand** employees.
- Operations in over **54 countries**.

Consolidated financial highlights for 2015



Asseco Group in 2015 – geographical regions

Polish market

Acquisitions and streamlining of the organizational structure.
Reinforcing our leading position in the country.

Israeli market

Dynamic organic growth and through acquisitions.

Central European market

Large contracts in the public administration sector and new acquisitions in Slovakia.

South Eastern European market

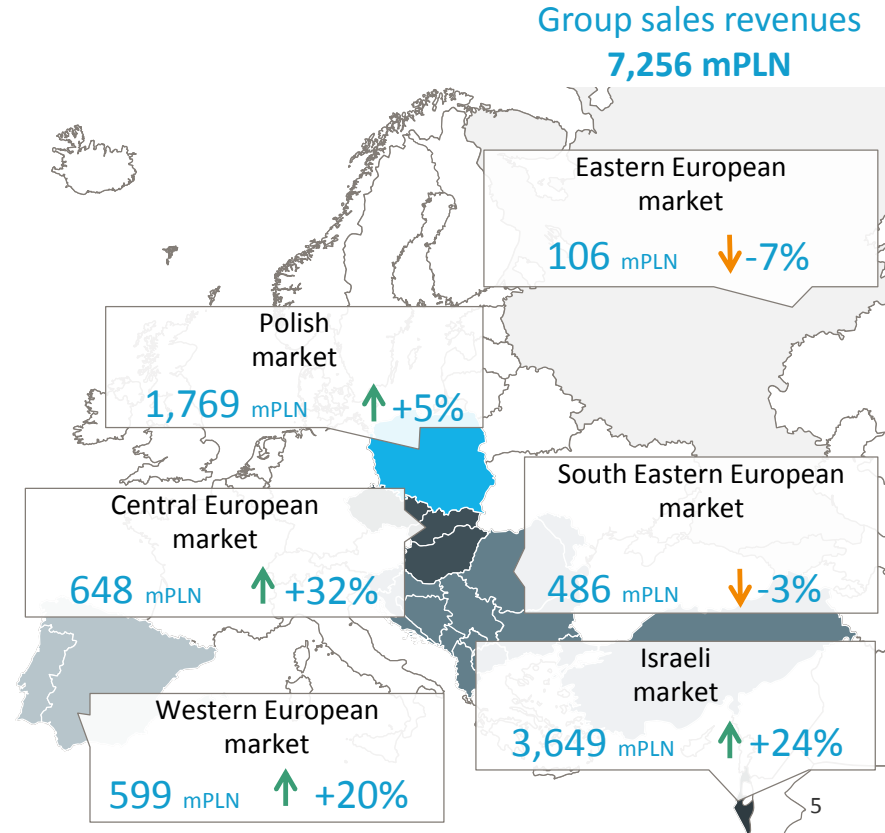
Focusing on own products and services. Stronger results in the segments of banking solutions and payment solutions.

Western European market

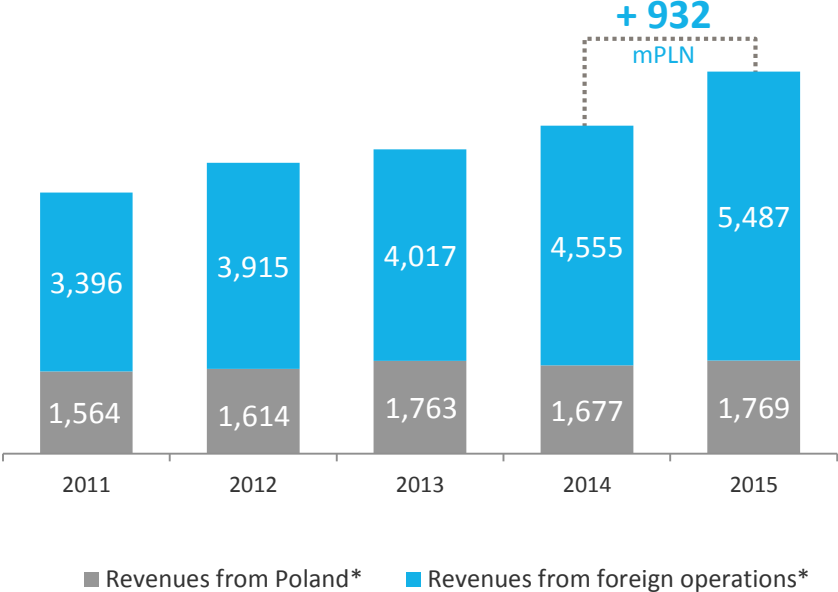
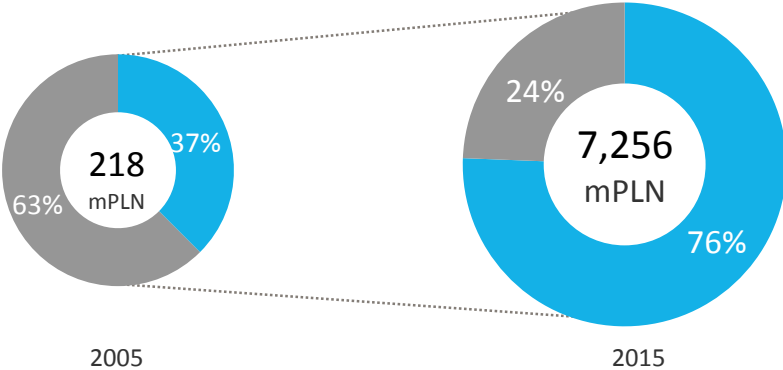
Acquisition of a Portuguese company and higher sales of IT infrastructure in Spain.

Eastern European market

Robust growth of sales in the local currency.
Impact of foreign exchange rates on the generated results.

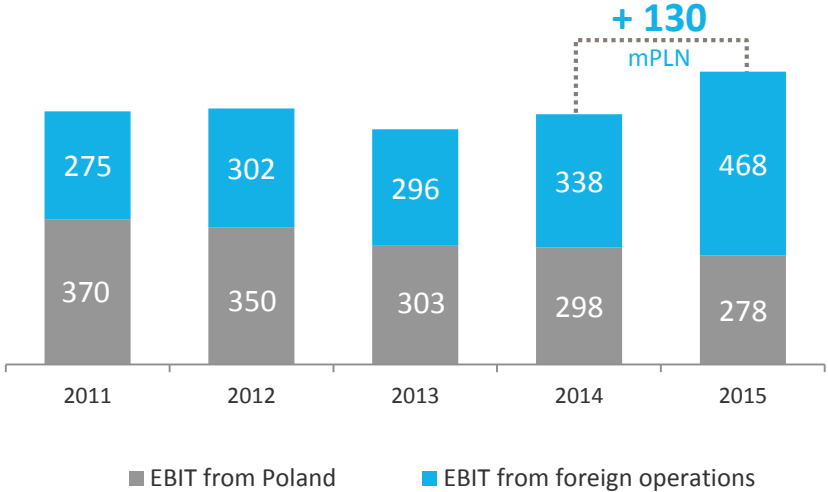
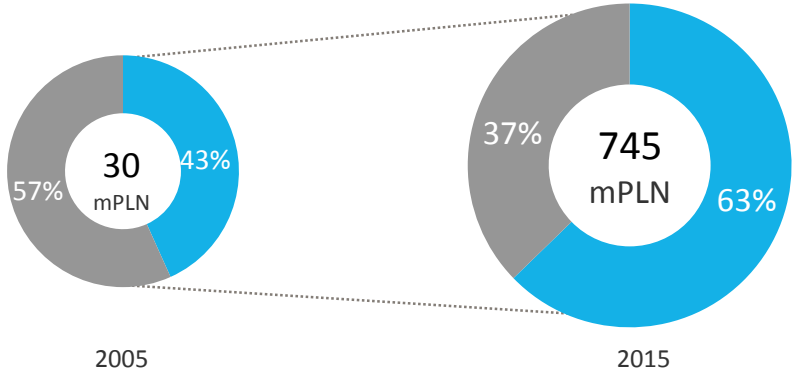


Higher share of foreign operations in the Group's sales revenues

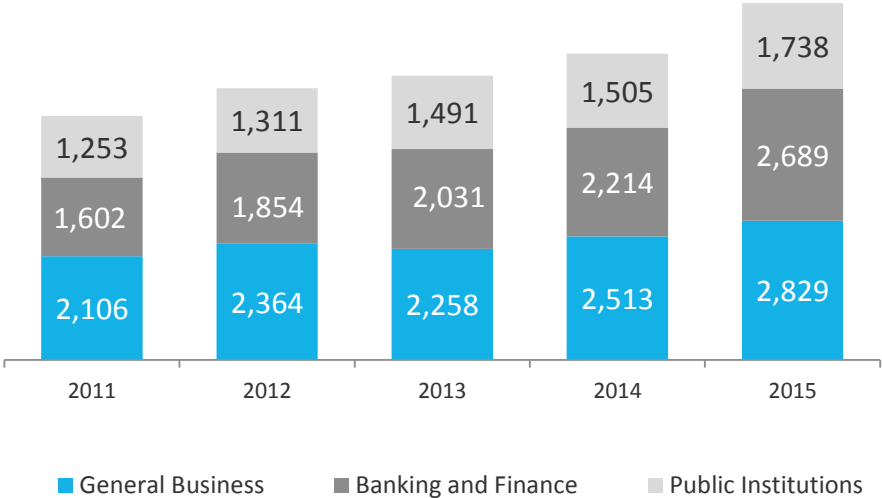
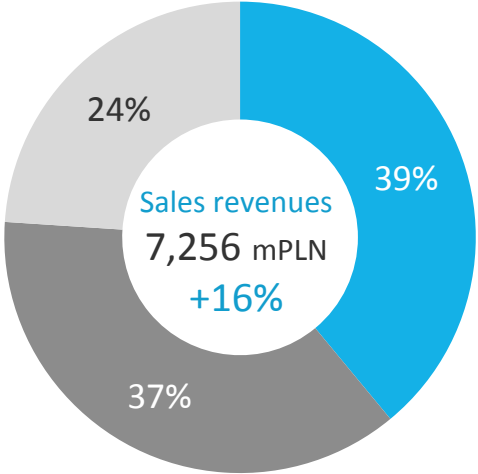


* Sales to external customers

Higher share of foreign operations in the Group's operating profit

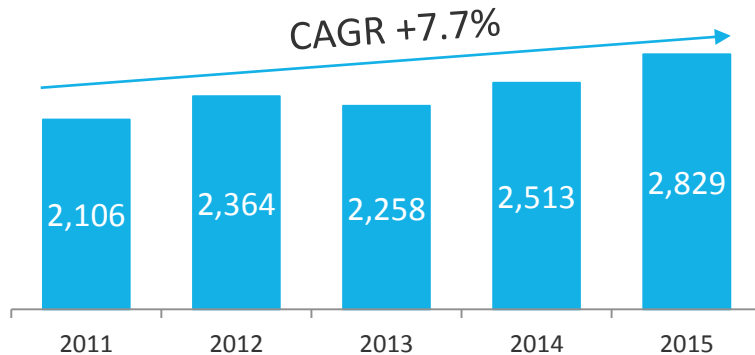


Revenue structure – strong diversification into sectors



General Business sector

Sales revenues (in millions of PLN)



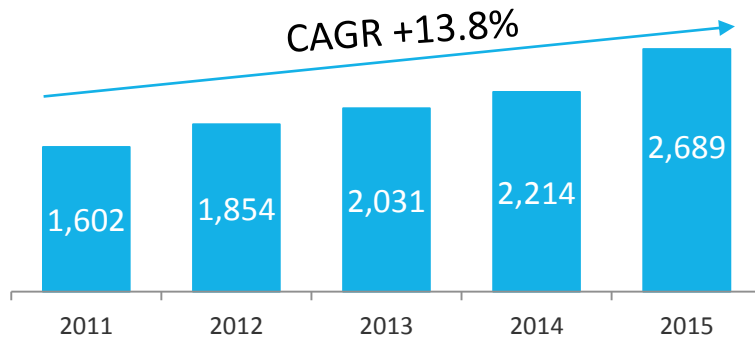
	2015	2014	Change
Polish market	542.9	502.6	+8%
Israeli market	1,559.3	1,398.8	+11%
Central European market	284.7	206.9	+38%
South Eastern European market	75.9	94.2	-19%
Western European market	372.9	315.1	+18%
Eastern European market	2.4	1.5	+61%
Asseco Group*	2,829.4	2,512.8	+13%

- Implementation of large projects in the industries of energy and telecommunications.
- Favourable impact of new acquisitions on business development in Central Europe.
- Growing sales of IT infrastructure in the region of Western Europe (Spain).

* Figures after consolidation eliminations

Banking and Finance sector

Sales revenues (in millions of PLN)



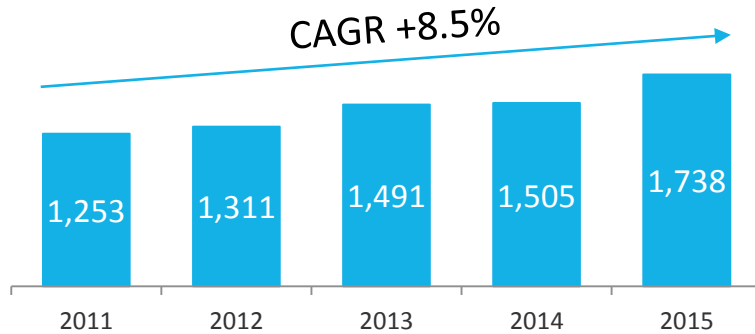
	2015	2014	Change
Polish market	438.4	452.8	-3%
Israeli market	1,576.5	1,119.6	+41%
Central European market	91.2	88.1	+4%
South Eastern European market	365.2	338.5	+8%
Western European market	150.3	107.0	+40%
Eastern European market	98.0	109.0	-10%
Asseco Group*	2,688.5	2,213.9	+21%

- Dynamic expansion in the insurance industry. Sapiens becomes the Group's competence center for insurance systems.
- Entering into new markets in the banking sector (acquisition of Exictos).
- Four projects for implementation of Asseco Customer Banking Platform (Asseco CBP) in Poland.

* Figures after consolidation eliminations

Public Institutions sector

Sales revenues (in millions of PLN)



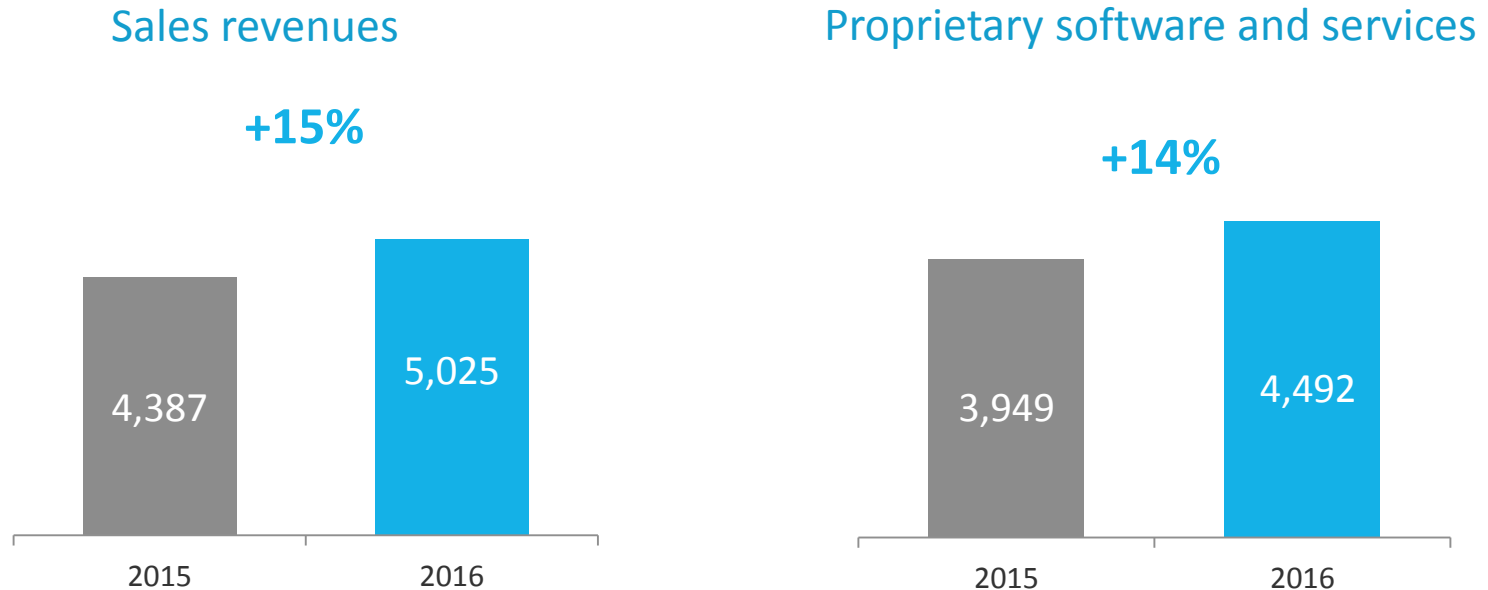
	2015	2014	Change
Polish market	797.2	726.1	+10%
Israeli market	541.0	432.6	+25%
Central European market	273.4	198.5	+38%
South Eastern European market	46.1	68.2	-32%
Western European market	75.7	76.5	-1%
Eastern European market	5.6	3.5	+62%
Asseco Group*	1,738.3	1,505.2	+15%

- Strong position in the Israeli public administration sector (Matrix IT).
- Improving economic situation in Central Europe. Gaining new significant contracts in Slovakia.
- Execution of major projects in Poland.

* Figures after consolidation eliminations

Consolidated order backlog for 2016

In comparison to the order backlog presented in March 2015



Figures in millions of PLN;

Value of the order backlog for 2016 as at 11 March 2016; value of the order backlog for 2015 as at 12 March 2015 (adjusted by the data of Matrix42)

Contracts signed in 2015



¹) Asseco Group, excluding retail products. The figures include contracts, orders and annexes.

Shareholder value

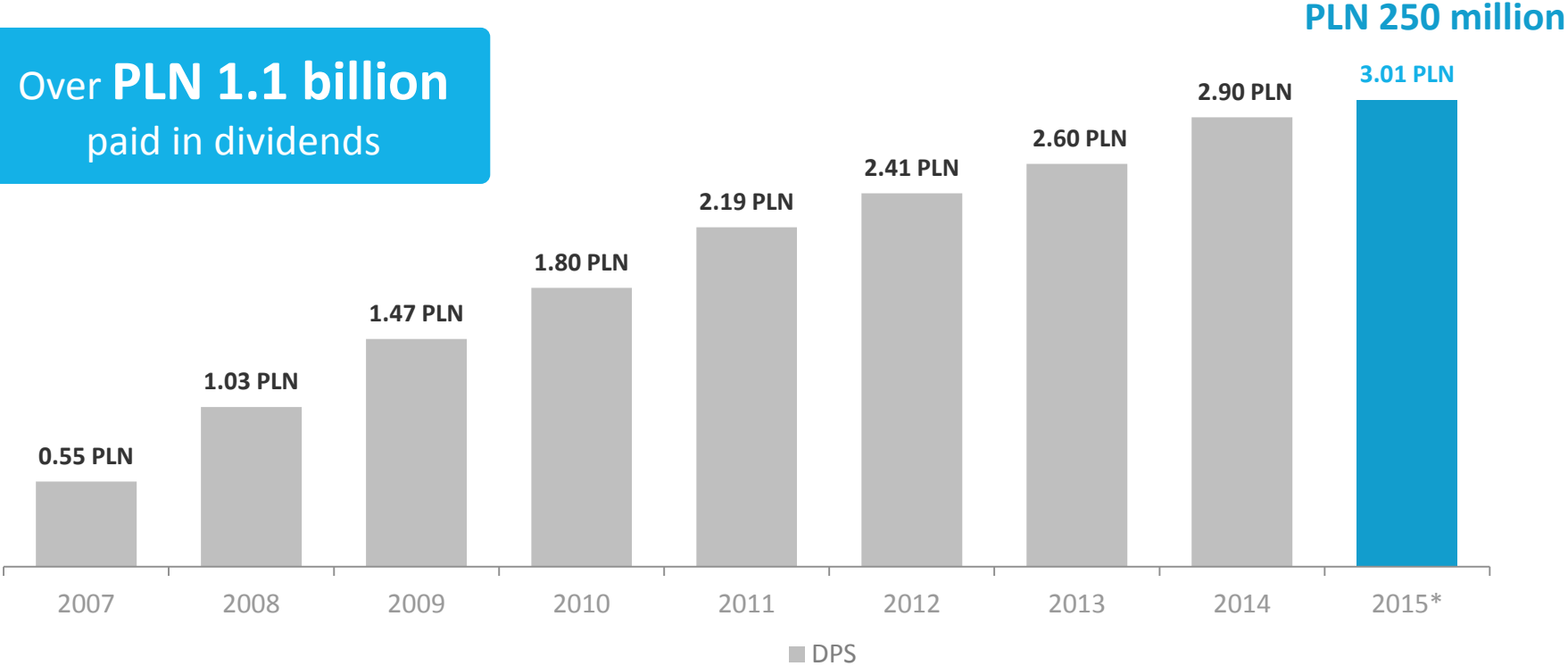
Asseco share price vs. WIG20 index

Appreciation of our share price and increased interest from investors



Consistent implementation of our dividend policy

Over **PLN 1.1 billion**
paid in dividends



* Recommended by the Management Board

Financial information

Solid growth in revenues and operating profit

	2015	2014	Δ	Q4 2015	Q4 2014	Δ
Revenues	7,256.2	6,231.9	+16%	2,196.0	1,832.6	+20%
Proprietary software and services	5,782.6	4,998.9	+16%	1,602.1	1,428.7	+12%
Gross profit on sales	1,749.6	1,519.8	+15%	506.3	436.1	+16%
<i>Gross profit margin</i>	24.1%	24.4%	-0.3 pp	23.1%	23.8%	-0.7 pp
Selling costs	-451.5	-393.8	+15%	-126.8	-117.8	+8%
General and administrative expenses	-543.7	-477.1	+14%	-166.9	-129.1	+29%
Other operating activities	-9.2	-12.2	-	-1.1	-11.7	-
Operating profit	745.2	636.7	+17%	211.5	177.5	+19%
<i>Operating profit margin</i>	10.3%	10.2%	+0.1 pp	9.6%	9.7%	-0.1 pp
Operating profit non-IFRS	848.4	738.5	+15%	242.6	204.2	+19%
<i>Operating profit margin non-IFRS</i>	11.7%	11.9%	-0.2 pp	11.0%	11.1%	-0.1 pp
EBITDA	1,007.7	892.5	+13%	274.0	245.6	+12%
<i>EBITDA margin</i>	13.9%	14.3%	-0.4 pp	12.5%	13.4%	-0.9 pp

Figures in millions of PLN

Non-IFRS figures including adjustments for: i) income recognized in purchase price allocation, ii) amortization charges on intangible assets recognized in purchase price allocation as well as iii) for the costs of share-based payment transactions with employees

Reconciliation of operating profit and net profit

	2015	2014	Δ	Q4 2015	Q4 2014	Δ
Operating profit	745.2	636.7	+17%	211.5	177.5	+19%
Interest expense	-32.9	-29.3		-9.8	-6.0	
Foreign currency transactions	-9.2	0.8		-3.0	-1.2	
Other	40.3	39.8		39.5	8.7	
of which: gain/loss on transactions associated with company acquisitions	-1.9	16.6		-0.6	11.8	
gain/loss on disposal of companies	39.7	0.1		39.4	0.1	
reversal of allowance for receivables from / commercial papers of PI		28.1				
Pre-tax profit	743.4	648.1	+15%	238.2	179.0	+33%
Income tax	-165.9	-131.2	+26%	-47.2	-34.7	+36%
Share of profits/losses of associates	-1.7	1.9	-189%	-2.3	0.1	-2,400%
Profit/loss from discontinued operations*	0.0	9.7	-100%	0.0	0.1	-100%
Net profit	575.8	528.5	+9%	188.7	144.5	+31%
Net profit attributable to shareholders of the parent company	365.5	358.4	+2%	125.9	89.9	+40%

Figures in millions of PLN

* 2014: net profit of Slovanet Group along with the gain on disposal of Slovanet by ACE Group;

Generated cash flows

	Asseco Group		Asseco Poland	
	2015	2014	2015	2014
CFO	1,043.6	816.6	324.5	253.5
CAPEX*	-191.7	-204.1	-40.1	-25.0
Free cash flow**	851.9	612.5	284.4	228.5
Cash conversion***	100%	83%	153%	91%

* Excluding investments in investment property, net of grants received

** CFO + CAPEX

*** Free cash flow / non-IFRS EBIT

Figures in millions of PLN

Non-IFRS figures including adjustments for: i) income recognized in purchase price allocation, ii) amortization charges on intangible assets recognized in purchase price allocation as well as iii) for the costs of share-based payment transactions with employees

Stable liquidity position (Asseco Poland)

	As at 31 December 2015	
	ST	LT
Cash and financial assets	86.4	72.7
Debt and finance lease:	-32.7	33.0
<i>Bank loans</i>	-13.2	-77.2
<i>Assets serving as bank loan collateral*</i>	-	195.3
<i>Finance lease liabilities</i>	-19.5	-85.1
Net cash (ST)	53.7	
Inventories + ST receivables – ST liabilities**	236.7	
Net operating assets (ST)	290.4	
Available bank loan facilities	570.0	

Figures in millions of PLN

* The book value of real estate serving as bank loan collateral

** Inventories + short-term receivables + short-term prepayments – short-term liabilities excluding bank loans and finance lease liabilities

Prospects and challenges for 2016

Prospects and challenges for 2016

1. Potential projects in the Polish market.
2. Business expansion in foreign markets.
3. Further simplification of the Group's structure in Poland.

Potential projects and prospects of Asseco Poland

Central Administration

- Tender for the supply of an image analysis system – Asseco Ground Control System.
- Development of the Geoportal project + laser scanning LIDAR 3D.
- Tender for the development of Empatia social welfare system.
- Systems for the management of export (AES) and import (IES) of goods (Infovide-Matrix).
- Development of the Big Family Card system (built by Asseco).
- Development of the Geodetic Utilities Network System (GESUD) + the National Register of Territorial Division (TERYT).
- Projects under the new EU financial perspective for the years 2016-2020.

Defense Sector

- Tender for the supply of Rosomak Battlefield Management System. Asseco is a member of the domestic BMS consortium (Asseco, Teldat, Siltec, WAT, Enigma, CMGI).
- Tender for the supply of a system for vertical take-off and landing, unmanned flying machines (Asseco GCS).
- Tender for the Brigade Command System.
- Tender for the supply of an image analysis system for the Reconnaissance Center.
- Several dozen projects at the National Cryptology Center.
- Development and maintenance of EU border protection system – Frontex.

Banking and Finance

- New implementations of Customer Banking Platform in Poland and abroad.
- RS 5000 project in Russia (R-Style).
- Potential new projects in emerging markets (in Africa through Exictos).
- New cloud-based services for cooperative banks.
- Development of the Promak Foreign Markets system.
- New products for financial institutions (including asset management, cash management, trading).

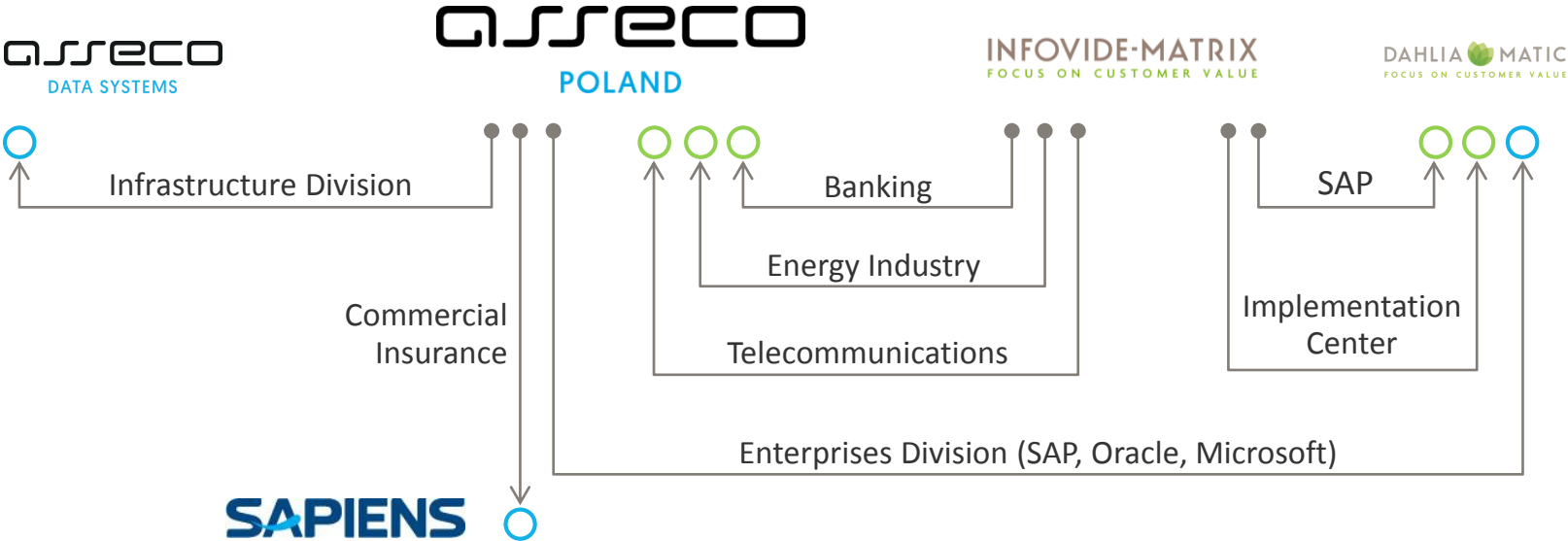
Energy and Telecommunications

- Tender for the supply of a customer service and billing system for PGE.
- Distribution of our products and services in foreign markets.
- Expanding cooperation with Orange Poland.
- Cooperation with Polkomtel + joint projects with Infovide Matrix.

Simplification of the Group's structure in Poland



Separation of competence and specialization



Simplification of the Group's structure in Poland

PROPRIETARY SOFTWARE



- Focusing on proprietary software and services.
- Expert in software solutions for various sectors.

ERP and SFA



- Focusing on own ERP software.
- Solutions for small and medium-sized enterprises and salesforce automation.

INTEGRATION



- Focusing on IT infrastructure.
- Solutions for local administration and entities that are not served by Asseco Poland.

CONSULTING AND IMPLEMENTATIONS




- Focusing on consulting and implementation services.
- Specialization in third-party solutions.

Q&A

Solutions
for **demanding**
business.

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