

asreco

Asseco Group Results

Q1 2016

Consolidated financial highlights for Q1 2016

<p>1,844 mPLN Sales revenues +16%</p>	<p>1,492 mPLN Proprietary software and services +13%</p>
<p>258 mPLN EBITDA +13%</p>	<p>186 mPLN EBIT +13%</p>
<p>66 mPLN Net profit -15%</p>	<p>5,622 mPLN Order backlog for 2016 +15%</p>

Asseco Group in Q1 2016 – geographical regions

Polish market

Reorganization of business structure in Poland. Favourable results of Asseco Business Solutions and Asseco Data Systems.

Israeli market

Dynamic organic growth of all of our Israeli market companies.

Central European market

Positive effects of acquisitions and economic improvement in the Czech Republic. Higher sales of ERP solutions.

South Eastern European market

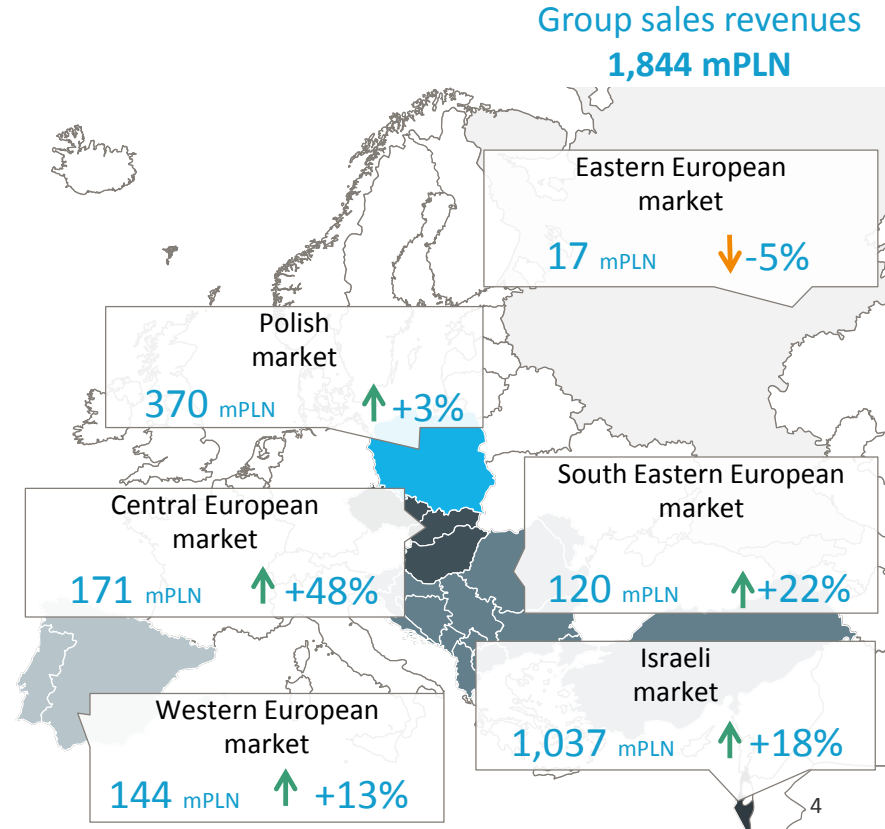
Growing revenues of the infrastructure segment. Continued expansion in the payment solutions market.

Western European market

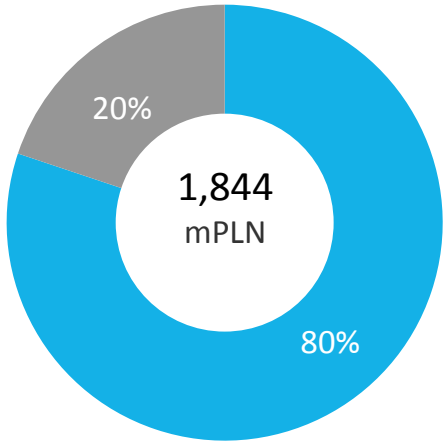
Favourable financial impact from the acquisition of Portugal-based Exictos. Organic growth in Spain.

Eastern European market

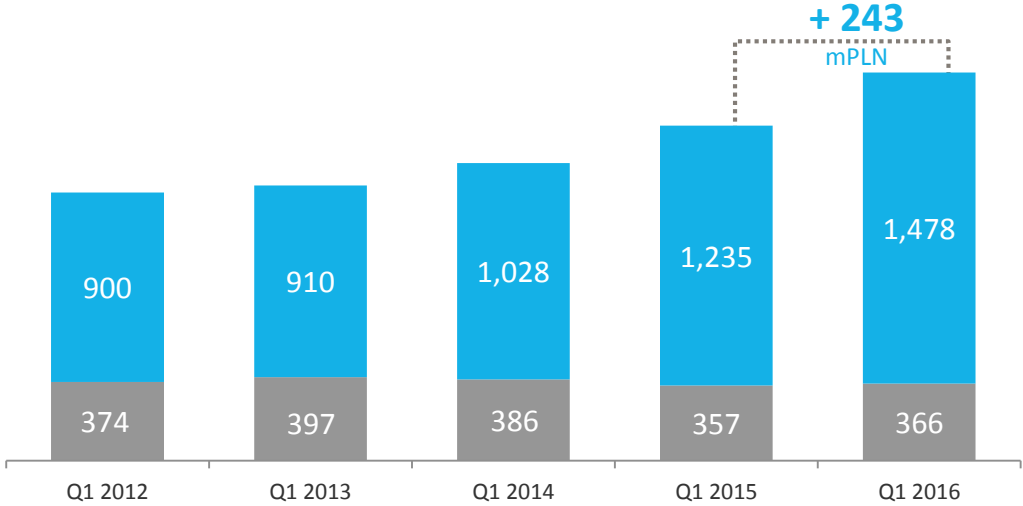
Continued development of new products. Termination of cooperation with a key customer in Russia.



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



Q1 2016

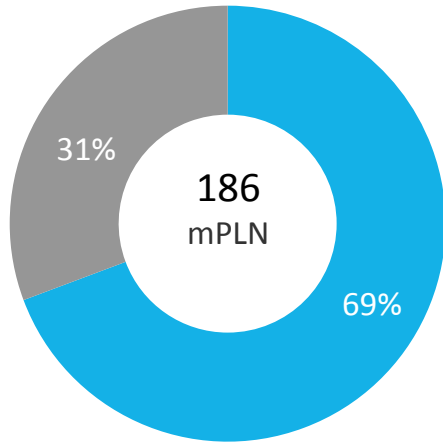


■ Revenues from Poland*

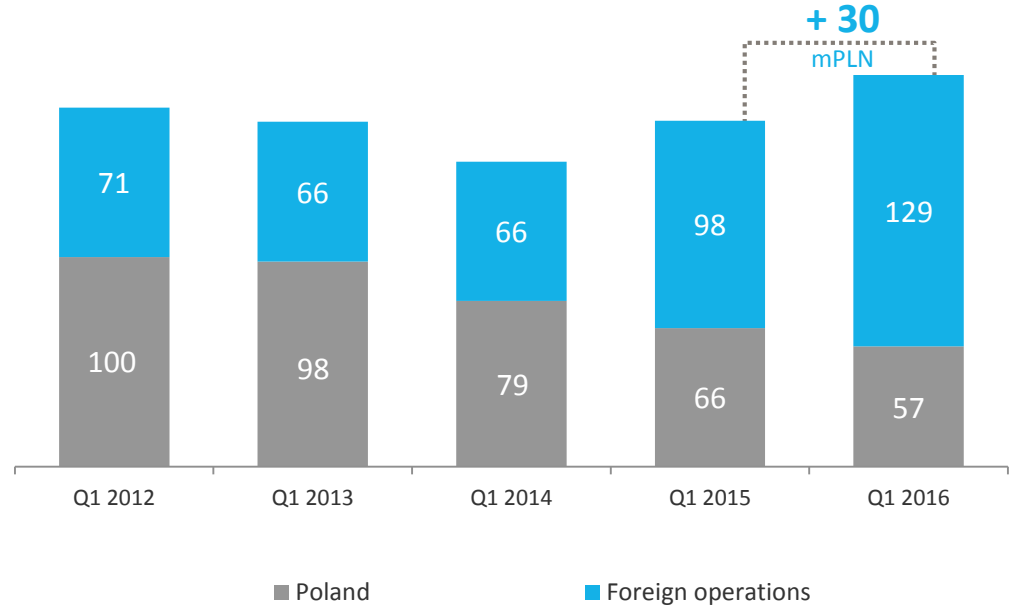
■ Revenues from foreign operations*

* Sales to external customers.

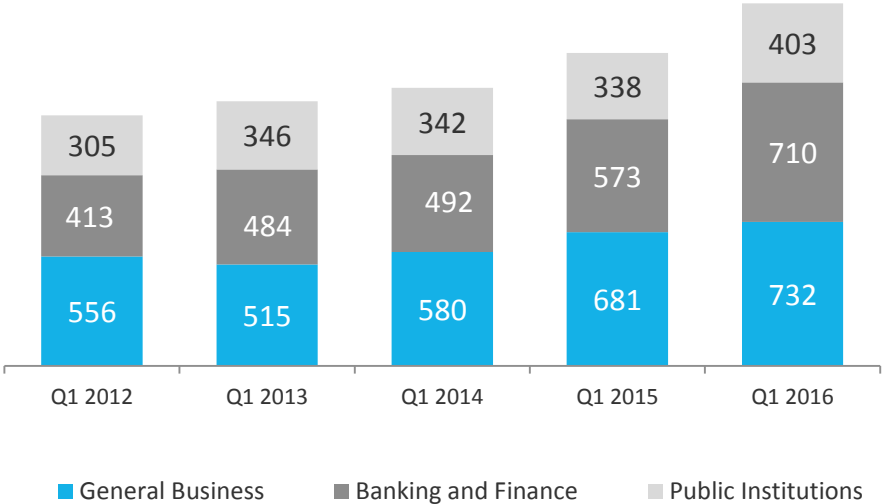
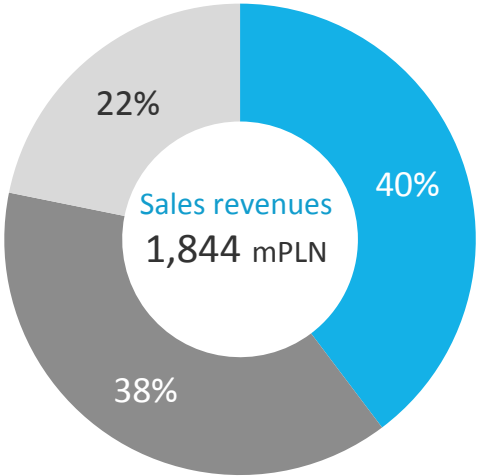
Higher share of foreign operations in the Group's operating profit



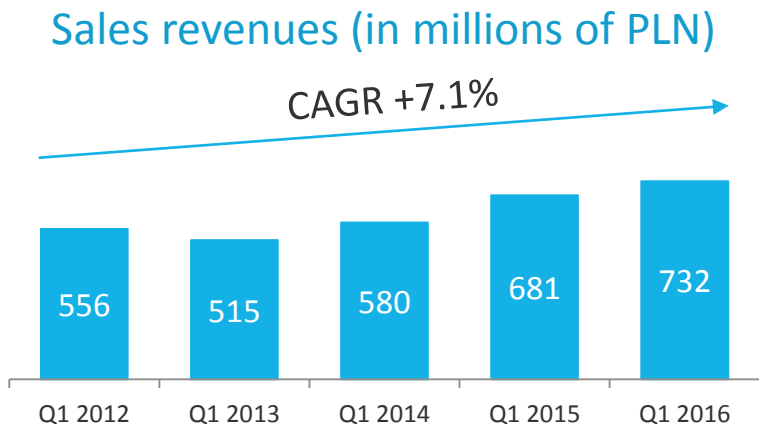
Q1 2016



Revenue structure – strong diversification into sectors



General Business sector

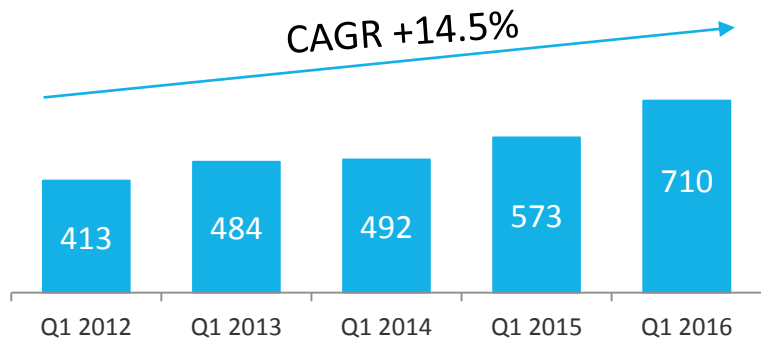


	Q1 2016	Q1 2015	Change
Polish market	112.7	114.3	-1%
Israeli market	463.2	412.7	+12%
Central European market	68.4	52.3	+31%
South Eastern European market	19.3	14.5	+33%
Western European market	70.5	88.1	-20%
Eastern European market	0.1	0.1	+26%
Asseco Group*	732.4	680.9	+8%

- Growing sales of ERP solutions in Poland (ABS) and in Western Europe (Asseco Solutions).
- New acquisitions and product development in Central Europe.
- New clients gained by our Israeli subsidiaries (Magic Software).

Banking and Finance sector

Sales revenues (in millions of PLN)

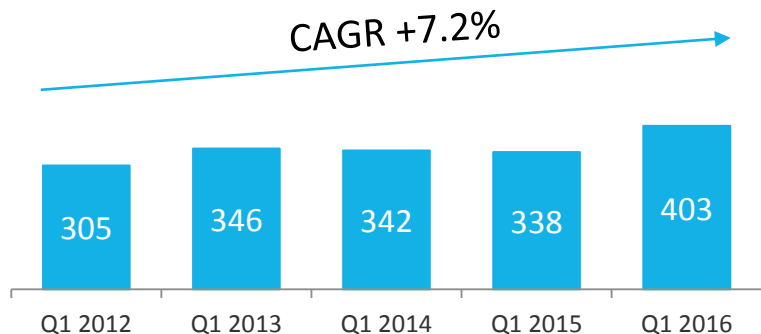


	Q1 2016	Q1 2015	Change
Polish market	111.1	105.2	+6%
Israeli market	417.0	333.3	+25%
Central European market	24.6	17.1	+44%
South Eastern European market	95.8	79.6	+20%
Western European market	59.9	22.1	+171%
Eastern European market	13.1	17.8	-26%
Asseco Group*	709.5	573.1	+24%

- Increasing sales in the insurance sector (Sapiens) as well as in the AML & Fraud sector (Matrix IT).
- Stronger position in the payments sector in the region of South Eastern Europe.
- Favourable impact from the acquisition of Portugal-based Exictos in Western Europe.

Public Institutions sector

Sales revenues (in millions of PLN)



	Q1 2016	Q1 2015	Change
Polish market	146.1	139.8	+5%
Israeli market	156.8	131.0	+20%
Central European market	77.5	45.5	+70%
South Eastern European market	4.8	4.4	+8%
Western European market	13.6	17.2	-21%
Eastern European market	3.8	0.0	-
Asseco Group*	402.5	338.0	+19%

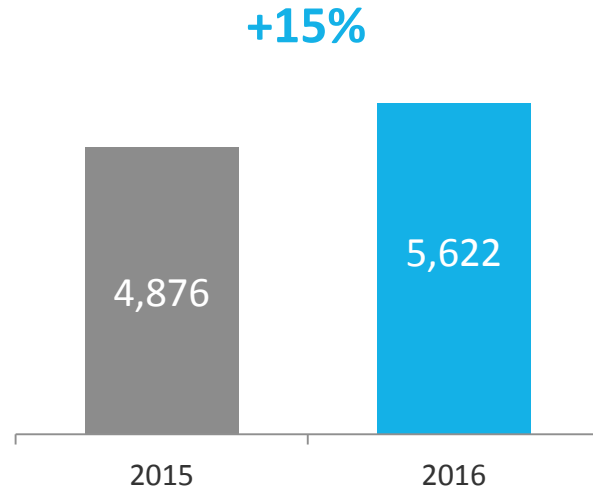
- Stronger sales in the public administration sector in Israel.
- Positive effects of acquisitions in Central Europe. Improving economic situation in the Czech Republic.
- Favourable sales revenues in Poland despite the stagnation in public procurements.

* Figures after consolidation eliminations.

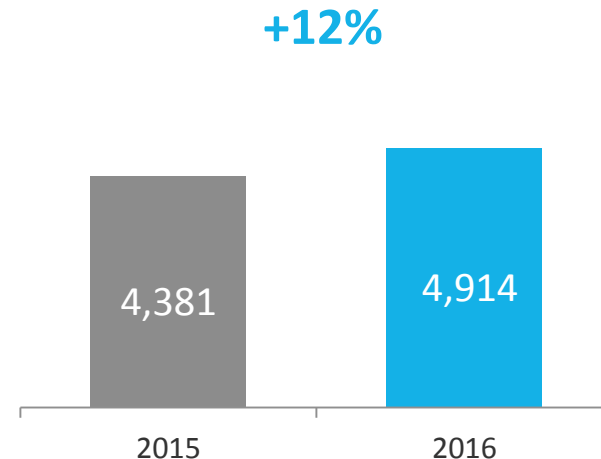
Consolidated order backlog for 2016

In comparison to the order backlog presented in May 2015

Sales revenues



Proprietary software and services



Figures in millions of PLN.

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

Contracts signed in Q1 2016



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

Financial information

Solid growth in revenues and operating profit

	Q1 2016	Q1 2015	Δ
Revenues	1,844.4	1,592.0	+16%
Proprietary software and services	1,491.6	1,321.9	+13%
Gross profit on sales	442.5	388.7	+14%
<i>Gross profit margin</i>	24.0%	24.4%	-0.4 pp
Selling costs	-113.4	-100.5	+13%
General and administrative expenses	-140.5	-120.4	+17%
Other operating activities	-2.6	-3.5	-
Operating profit	186.0	164.3	+13%
<i>Operating profit margin</i>	10.1%	10.3%	-0.2 pp
Operating profit non-IFRS	212.2	185.5	+14%
<i>Operating profit margin non-IFRS</i>	11.5%	11.7%	-0.1 pp
EBITDA	257.8	229.0	+13%
<i>EBITDA margin</i>	14.0%	14.4%	-0.4 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.

Robust growth in revenues and operating profit

	Q1 2016 / Change Q1 2016 vs. Q1 2015					
	Sales revenues**		Proprietary software and services**		Operating profit (non-IFRS)	
Polish market	369.9	+3%	320.9	+2%	61.7	-12%
Israeli market	1,037.0	+18%	890.4	+18%	104.7	+20%
Central European market	170.6	+48%	124.8	+24%	14.1	+0%
South Eastern European market	119.9	+22%	74.0	+15%	10.1	+2%
Western European market	143.9	+13%	79.2	+10%	22.7	+357%
Eastern European market	17.0	-5%	13.1	-18%	0.1	-92%
Asseco Group*	1,844.4	+16%	1,491.6	+13%	212.2	+14%

* Figures after consolidation eliminations.

** Revenues generated in individual markets include sales to external customers as well as inter-segment sales.

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

	Q1 2016	Q1 2015	Δ
Operating profit	186.0	164.3	+13%
Interest expense	-9.0	-5.6	
Foreign currency transactions	-12.6	-0.5	
Other	-1.5	5.0	
of which: gain/loss on transactions associated with company acquisitions	-0.2	-2.0	
reversal of allowance for a loan granted to Matrix42 Inc		5.4	
Pre-tax profit	162.9	163.1	-0%
Income tax	-43.1	-36.9	+17%
Share of profits/losses of associates	0.3	-0.2	-
Profit/loss from discontinued operations			
Net profit	120.1	126.0	-5%
Net profit attributable to shareholders of the parent company	65.6	77.4	-15%

Figures in millions of PLN.

Generated cash flows

	Asseco Group		Asseco Poland	
	Q1 2016	Q1 2015	Q1 2016	Q1 2015
CFO	270.8	257.8	27.3	64.5
CAPEX*	-41.3	-44.0	-5.2	-9.1
Free cash flow**	229.5	213.8	22.0	55.4
Cash conversion***	108%	115%	50%	105%

* 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 March 2016	
	ST	LT
Cash and financial assets	95.9	73.6
Debt and finance lease:	-33.1	40.0
<i>Bank loans</i>	-13.2	-74.0
<i>Assets serving as bank loan collateral*</i>	-	194.0
<i>Finance lease liabilities</i>	-19.9	-80.0
Net cash (ST)	62.8	
Inventories + ST receivables – ST liabilities**	402.3	
Net operating assets (ST)	465.1	
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.

Solutions
for **demanding**
business.

asreco

Legal disclaimer

The contents of this presentation are copyright protected and constitute proprietary information. All texts, graphics, photographs, sound, animations and videos, as well as their layout in the presentation are protected under the Act on copyright and related rights as well as by other applicable regulations. Unauthorized use of any materials contained in this presentation may constitute an infringement of copyright, trademark or other laws. Materials available in this presentation cannot be modified, reproduced, disclosed or performed in public, distributed or used for other public or commercial purposes, unless it is expressly permitted in writing by Asseco Poland S.A. Copying for commercial use, distribution, modification or acquisition of the contents of this presentation by third parties is strictly prohibited. This presentation may include references to product and service offerings of third parties. The terms and conditions for the use of third-party products and services are defined by such third parties. Asseco Poland S.A. will in no way be responsible or liable for the conditions or consequences of using such third-party products and services. The data and information contained herein constitute general information only. This presentation has been prepared with the use of Inscale company products. 

The name and logo graphic of Asseco Poland S.A. are registered trademarks. Any use of these trademarks shall require prior express consent of Asseco Poland S.A.