


asreco

# The Asseco Group's results

H1 2023

August 24, 2023



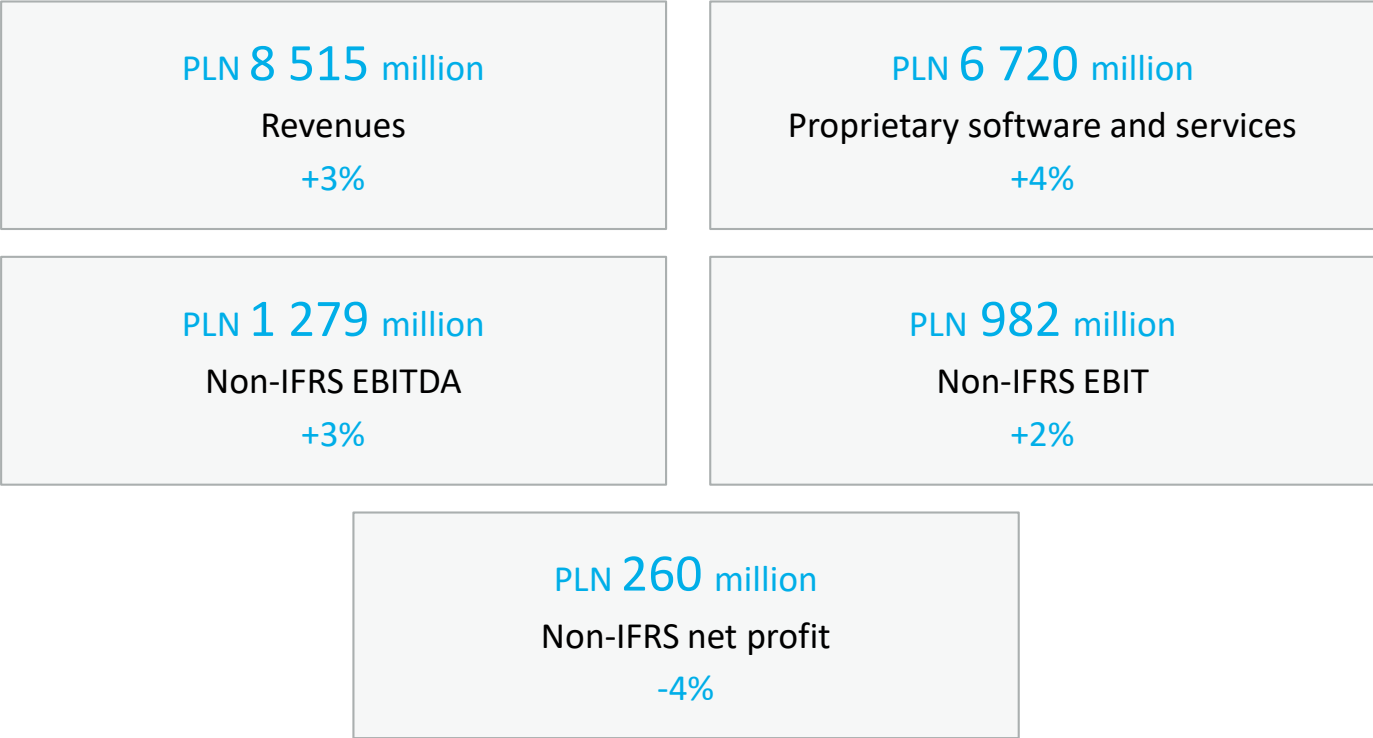
# Summary of the Group's results for H1 2023

- A consistently pursued strategy of **diversification** and focus on **proprietary systems for key sectors of the economy**, ensuring stable development of Asseco in a volatile and challenging market environment:
  - increase in revenues by 3% to **PLN 8.5 billion**
  - increase in non-IFRS operating profit by 2% to **PLN 982 million**
  - non-IFRS net profit of **PLN 260 million**
  - net profit of **PLN 231 million**
  - **79%** of revenues from proprietary software and related services
  - increase in average employment in the Group by **4% (over 1 500 people)**, in Poland by **7% (nearly 300 people)\***

# Summary of activities



# Selected consolidated financial data for H1 2023



# The Asseco Group in H1 2023

## Asseco Poland Segment

- Dynamically growing revenues in the areas of finance and banking, healthcare, energy and telecommunications
- Stable revenue stream from the central government sector
- Increased sales of trust services
- Increase in revenues of Asseco Cloud by more than 30%

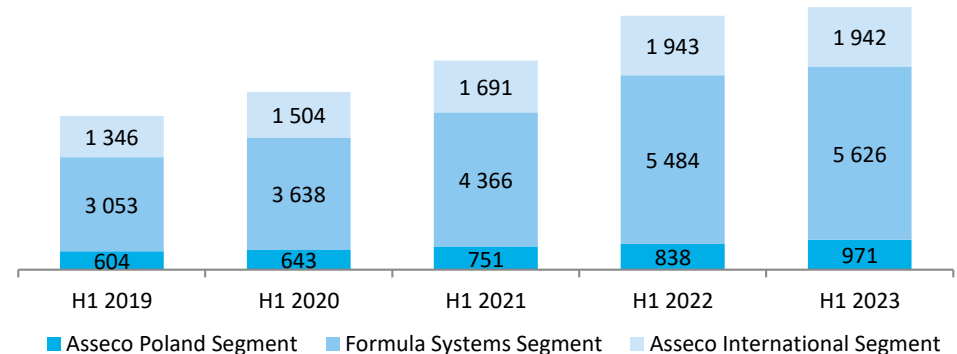
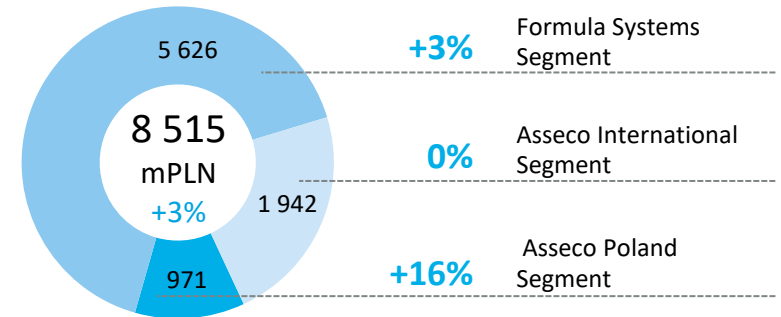
## Formula Systems Segment

- Further expansion of operations in Israel, Europe and North America
- Implementation of many significant projects for the public sector in Israel

## Asseco International Segment

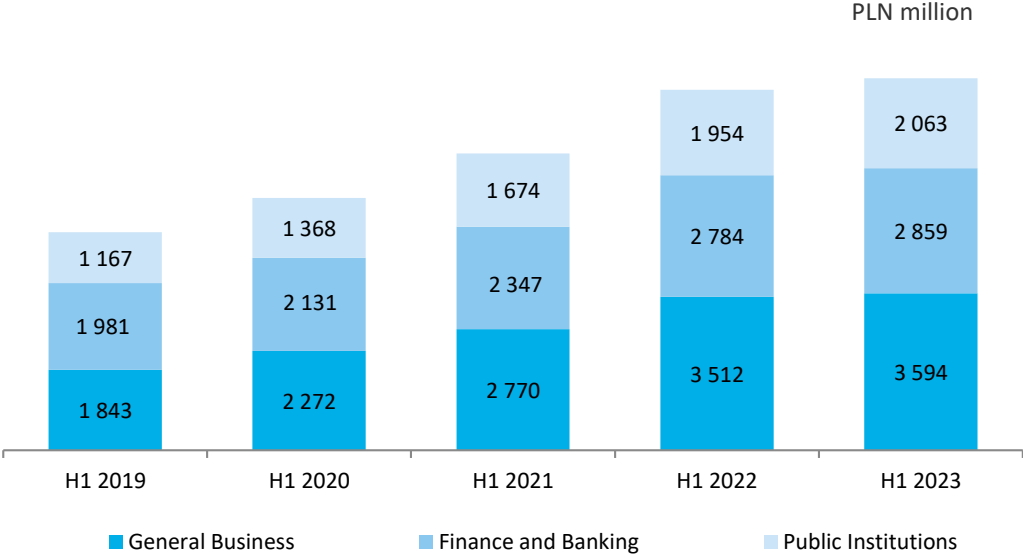
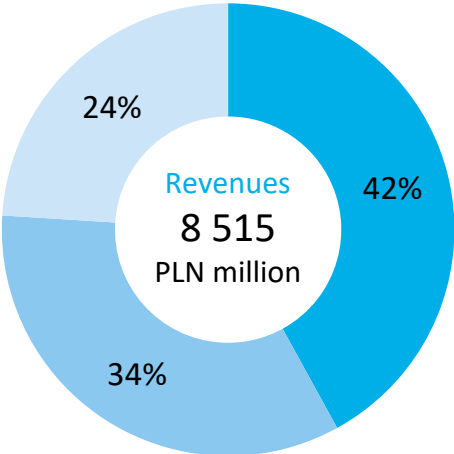
- ERP system sales growing at a double-digit rate
- ASEE – revenue growth in all operating segments (banking, payments and dedicated solutions)

Revenues (PLN million)



In addition: consolidation adjustment due to turnover between markets - PLN 23.5 million.

# Strong sectoral diversification of Asseco's revenues



**11%**

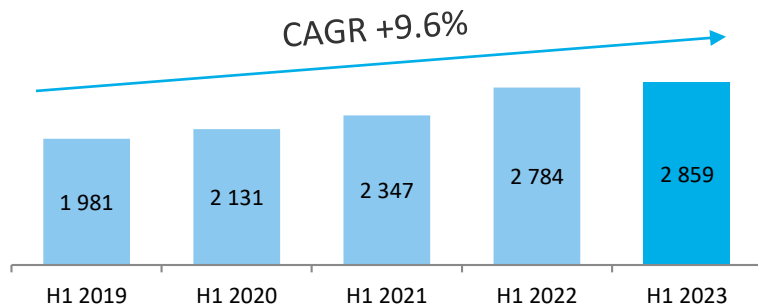
Share of top 10 customers in the Group's revenues for H1 2023

**2%**

Share of the largest customer in the Group's revenues for H1 2023

# Finance and Banking Sector

Revenues (PLN million)



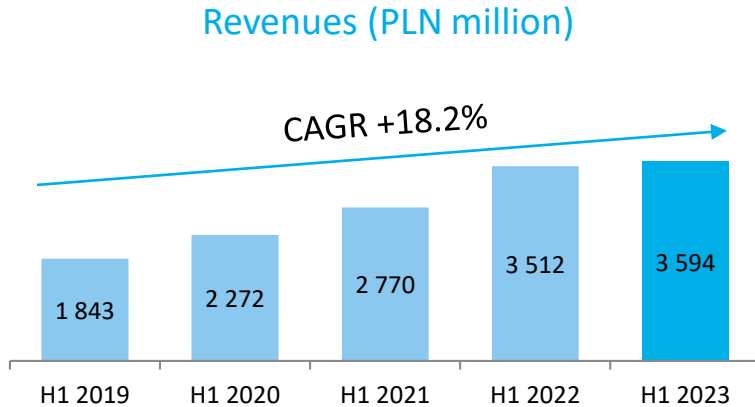
	H1 2023	H1 2022	Change
Formula Systems Segment	1 877.0	1 905.3	-1%
Asseco International Segment	695.7	655.7	+6%
Asseco Poland Segment	293.6	228.5	+28%
<b>Asseco Group*</b>	<b>2 858.7</b>	<b>2 784.2</b>	<b>+3%</b>

- **Formula Systems:** Sapiens – high share of recurring revenues, leveraging the potential of cross-selling and up-selling to more than 600 existing customers
- **Asseco International:** sales in ASEE's banking and payments segments growing at a double-digit rate
- **Asseco Poland:** double-digit revenue increases in all major areas – commercial and cooperative banking, capital market, Business Intelligence

\* Figures including consolidation adjustment.



# General Business Sector

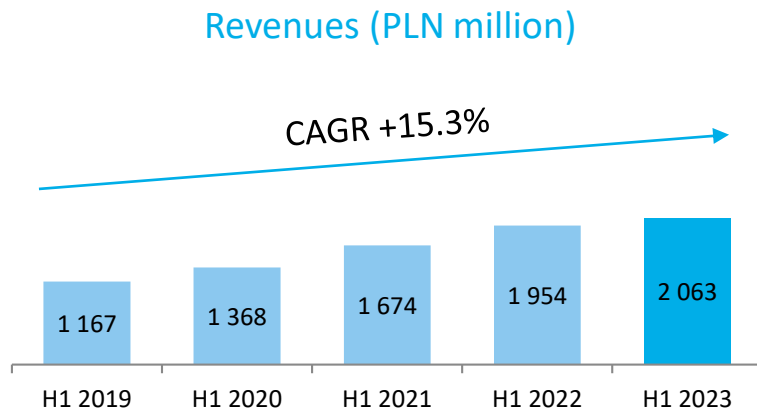


	H1 2023	H1 2022	Change
Formula Systems Segment	2 431.9	2 385.6	+2%
Asseco International Segment	942.5	955.3	-1%
Asseco Poland Segment	233.4	180.6	+29%
<b>Asseco Group*</b>	<b>3 594.2</b>	<b>3 511.8</b>	<b>+2%</b>

- **Formula Systems:** higher sales at Matrix IT, Magic Software and Insync Staffing
- **Asseco International:** double-digit growth in sales of ERP systems at AES Group in Poland, Czech Republic and DACH1 area (Germany, Austria, Switzerland, Italy) and of dedicated solutions at ASEE, no revenues from Danish companies sold in Q4 2022
- **Asseco Poland:** very good half-year period for Asseco Poland, Asseco Data Systems and Asseco Cloud

\* Figures including consolidation adjustment.

# Public Institutions Sector



	H1 2023	H1 2022	Change
Formula Systems Segment	1 317.1	1 192.9	+10%
Asseco International Segment	304.0	332.0	-8%
Asseco Poland Segment	443.7	429.3	+3%
<b>Asseco Group*</b>	<b>2 062.5</b>	<b>1 954.0</b>	<b>+6%</b>

- **Formula Systems:** revenue growth of Matrix IT, Magic Software and Michpal Micro Computers, contribution of Shamrad Electronics acquired in Q4 2022
- **Asseco International:** no revenues from Danish companies sold in Q4 2022, strong sales performance at ASEE and AES Group
- **Asseco Poland:** significantly higher sales in healthcare, stable sales to central and local government sectors

\* Figures including consolidation adjustment.

# The Group's development – acquisitions

## Acquisitions in the Israeli market:



/Matrix IT/

**Zebra A.G.R Technologies** offers a wide range of cybersecurity solutions and network management along with consulting and training services.



/Magic Software/

**K.M.T (M.H.) Technologies Communication Computers** is a provider of comprehensive ICT solutions and services, including a private cloud available to customers on 4 continents (Asia, North America, Africa, Europe).

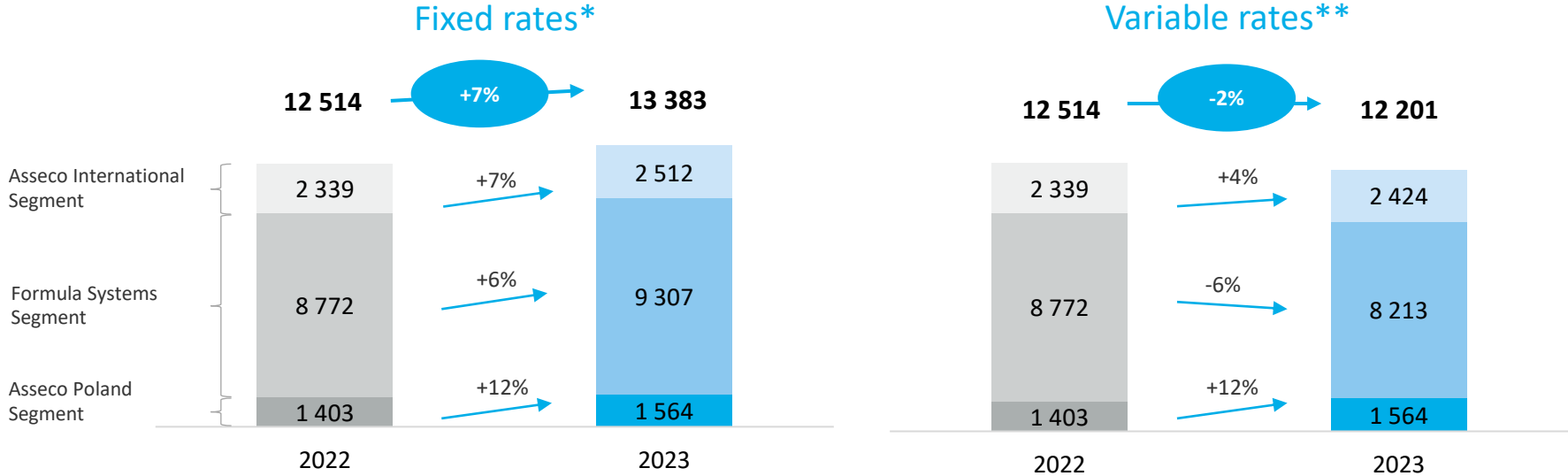


/Michpal Micro Computers/

**Emalogic Software** is engaged in custom software development (conception, design, testing, implementation, maintenance, modification and development).

# The Group's order backlog

## Proprietary software and services



Figures in PLN million.

Value of order backlog for 2023 as at August 17, 2023; value of order backlog for 2022 as at August 19, 2022.

\* Calculating the 2023 backlog according to the rates with which the 2022 backlog was calculated.

\*\* Calculating the 2023 backlog at rates: H1 execution at H1 2023 average rates and Q3-Q4 2023 figures at rates as at August 17, 2023.

# Financial information



# Revenues and operating profit

	H1 2023	H1 2022	Δ	Q2 2023	Q2 2022	Δ
<b>Sales revenues</b>	<b>8 515.4</b>	<b>8 250.0</b>	<b>+3%</b>	<b>4 180.0</b>	<b>4 202.5</b>	<b>-1%</b>
Proprietary software and services	6 720.2	6 441.6	+4%	3 298.7	3 280.3	+1%
<b>Non-IFRS EBITDA*</b>	<b>1 278.7</b>	<b>1 245.3</b>	<b>+3%</b>	<b>635.0</b>	<b>623.0</b>	<b>+2%</b>
<i>Profitability</i>	15.0%	15.1%	-0.1 pp.	15.2%	14.8%	+0.4 pp.
<b>Non-IFRS operating profit*</b>	<b>982.3</b>	<b>964.1</b>	<b>+2%</b>	<b>488.3</b>	<b>483.6</b>	<b>+1%</b>
<i>Profitability</i>	11.5%	11.7%	-0.2 pp.	11.7%	11.5%	+0.2 pp.
PPA and SBP	-184.9	-180.3	+3%	-90.4	-89.5	+1%
M&A and one-offs	-4.9	139.4	-104%	-3.0	142.4	-102%
<b>Operating profit</b>	<b>792.5</b>	<b>923.2</b>	<b>-14%</b>	<b>394.9</b>	<b>536.5</b>	<b>-26%</b>
<i>Profitability</i>	9.3%	11.2%	-1.9 pp.	9.4%	12.8%	-3.4 p.p.

Figures in PLN million.

\* Non-IFRS figures including adjustments for: the cost of amortization of intangible assets recognized in purchase price allocation (PPA), the costs of share-based payment transactions with employees (SBP), the revenues and costs resulting from the transactions of purchase and sales of companies (M&A) and one-offs.

# Reconciliation of operating profit and net profit

	H1 2023	H1 2022	Δ	Q2 2023	Q2 2022	Δ
<b>Non-IFRS operating profit*</b>	<b>982.3</b>	<b>964.1</b>	<b>+2%</b>	<b>488.3</b>	<b>483.6</b>	<b>+1%</b>
<b>Operating profit</b>	<b>792.5</b>	<b>923.2</b>	<b>-14%</b>	<b>394.9</b>	<b>536.5</b>	<b>-26%</b>
Net interest income	-44.2	-39.5	-	-19.9	-17.5	-
Foreign exchange transactions	4.5	17.7	-	7.8	8.8	-
M&A transactions	-5.5	0.3	-	-3.3	5.3	-
Hyperinflation	10.8	20.3	-	1.3	20.3	-
Other	1.1	-1.8	-	1.0	-1.7	-
<b>Gross profit</b>	<b>759.2</b>	<b>920.2</b>	<b>-17%</b>	<b>381.8</b>	<b>551.7</b>	<b>-31%</b>
Tax	-160.9	-201.7	-20%	-77.4	-119.3	-35%
<i>Effective tax rate</i>	21.2%	21.9%	-0.7 pp.	20.3%	21.6%	-1.3 pp.
Share of profit/loss of associates	-0.2	10.3	-102%	1.2	9.3	-87%
<b>Non-IFRS net profit</b>	<b>748.6</b>	<b>750.0</b>	<b>0%</b>	<b>386.4</b>	<b>384.1</b>	<b>+1%</b>
<b>Net profit</b>	<b>598.1</b>	<b>728.8</b>	<b>-18%</b>	<b>305.6</b>	<b>441.7</b>	<b>-31%</b>
<b>Non-IFRS net profit attributable to shareholders of the parent company*</b>	<b>259.5</b>	<b>271.4</b>	<b>-4%</b>	<b>139.6</b>	<b>146.7</b>	<b>-5%</b>
PPA and SBP	-30.9	-31.6	-2%	-14.8	-15.2	-3%
M&A and one-offs	1.9	8.1	-77%	-2.5	8.8	-128%
<b>Net profit attributable to shareholders of the parent company</b>	<b>230.5</b>	<b>247.9</b>	<b>-7%</b>	<b>122.4</b>	<b>140.3</b>	<b>-13%</b>

Figures in PLN million.

\* Non-IFRS figures including adjustments for: the cost of amortization of intangible assets recognized in purchase price allocation (PPA), the costs of share-based payment transactions with employees (SBP), the revenues and costs resulting from the transactions of purchase and sales of companies (M&A) and one-offs (and related tax effects).

# Financial results of regions and subsidiaries

	Sales revenues		Non-IFRS operating profit*		Non-IFRS net profit contribution to Asseco Poland*	
	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
<b>Asseco Poland Segment</b>	<b>970.7</b>	<b>838.4</b>	<b>154.9</b>	<b>147.1</b>	<b>124.4</b>	<b>115.1</b>
Asseco Poland (excluding dividends)	684.6	573.3	113.9	99.6	92.4	81.6
Asseco Data Systems	185.7	170.5	29.8	30.9	26.4	28.2
Other companies and consolidation adjustments	100.4	94.6	11.2	16.5	5.7	5.2
<b>Formula Systems Segment</b>	<b>5 626.0</b>	<b>5 483.8</b>	<b>636.7</b>	<b>604.9</b>	<b>53.4</b>	<b>52.8</b>
Matrix IT	3 030.0	3 018.5	259.0	242.7	20.9	20.8
Magic Software	1 196.0	1 178.4	156.9	157.0	13.3	12.5
Sapiens International	1 080.7	1 009.9	201.5	180.4	17.4	15.2
Holding and other companies, consolidation adjustments	319.4	277.0	19.3	24.7	1.8	4.3
<b>Asseco International Segment</b>	<b>1 942.2</b>	<b>1 943.0</b>	<b>191.4</b>	<b>212.8</b>	<b>82.2</b>	<b>104.3</b>
Central European market	814.0	753.0	68.8	94.4	28.7	52.3
South Eastern European market	756.8	660.7	109.1	104.0	43.3	45.7
Western European market	369.1	525.7	25.1	21.4	20.1	13.2
Holding and other companies, consolidation adjustments	2.2	3.7	-11.6	-7.0	-9.9	-6.9
consolidation adjustment	-23.5	-15.2	-0.6	-0.7	-0.5	-0.7
<b>Asseco Group</b>	<b>8 515.4</b>	<b>8 250.0</b>	<b>982.3</b>	<b>964.1</b>	<b>259.5</b>	<b>271.4</b>

Figures in PLN million.

\* Non-IFRS figures including adjustments for: the cost of amortization of intangible assets recognized in purchase price allocation (PPA), the costs of share-based payment transactions with employees (SBP), the revenues and costs resulting from the transactions of purchase and sales of companies (M&A) and one-offs (and related tax effects).



# Cash generated (LTM)

	Asseco Group	Formula Systems Segment	Asseco International Segment	Asseco Poland Segment
CFO	2 442.0	1 597.4	587.3	258.9
CAPEX* + leasing**	-724.3	-404.2	-214.1	-107.6
<b>Free cash flow***</b>	<b>1 717.7</b>	<b>1 193.2</b>	<b>373.2</b>	<b>151.3</b>
<b>Cash conversion ratio****</b>	<b>84%</b>	<b>92%</b>	<b>84%</b>	<b>50%</b>

Figures in PLN million; figures for the Group include consolidation adjustments; figures for the last 12 months. i.e. VII 2022 - VI 2023.

\* Less financing.

\*\* Repayment of lease obligations.

\*\*\* CFO + CAPEX + leasing.

\*\*\*\* Free cash flow / EBIT non-IFRS.

# Stable liquidity situation

		As at June 30, 2023			
	Asseco Group	Formula Systems Segment	Asseco International Segment	Asseco Poland Segment	Eliminations
Cash	2 545.3	1 585.0	697.5	262.8	-
Interest-bearing liabilities (ST)	-1 365.1	-1 138.0	-210.2	-18.6	1.7
Loan liabilities (ST)	-1 113.1	-947.9	-161.5	-3.7	-
Leasing (ST)	-252.0	-190.1	-48.7	-14.9	1.7
Net cash (ST)	1 180.2	447.0	487.3	244.2	1.7
Inventories + ST receivables - ST liabilities*	1 564.0	1 046.4	156.2	363.3	-1.9
Net operating assets (ST)	2 744.2	1 493.4	643.5	607.5	-0.2
Net cash (ST + LT)	-1 005.0	-1 416.5	220.6	180.4	10.5


Figures in PLN million.


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


# Asseco in the cloud



# Cloud of the highest standard

- 

**5**  
data centers
- 

**500+**  
customers
- 

**100+**  
IT experts



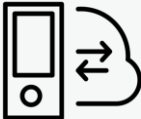
**2.** position

of Asseco in the category:  
the largest cloud service providers  
according to the Computerworld  
TOP200 ranking

# Asseco Cloud offer



**IT Consulting**



**Cloud solutions**



**Business continuity**



**SaaS**



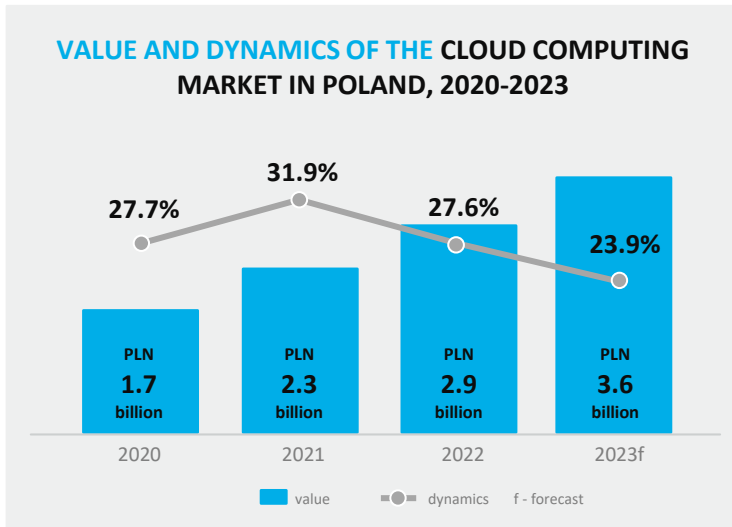
**Managed services**



**Digital transformation**

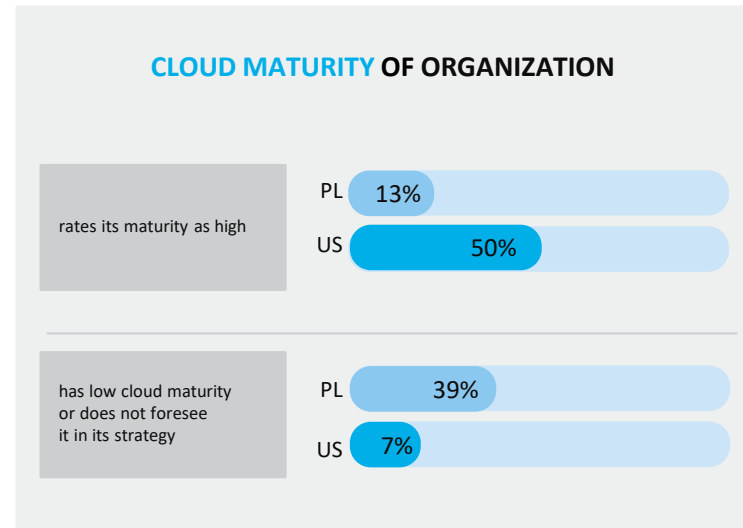
# Cloud market

The value of the cloud computing market in Poland reached **PLN 2.9 billion** in 2022, a **28% year-on-year** increase, and in 2023 total cloud spending is to rise to **PLN 3.6 billion**.



Source: PMR 2023 Report.

Cloud maturity in Poland and the US



Source: PWC Poland June 2022 Report.

# Key clients of Asseco Cloud



BMW Financial Services



American  
Heart  
of Poland



# Key events



Expanding strategic cooperation with Dino Polska



Starting cooperation with Carrefour Polska



Signing a cooperation agreement with Globeteam (Denmark)



Implementing an agreement with the Municipality of Copenhagen



Supporting the organization of Asseco Cloud CE's launch



# Finances and objectives of the Company



## Financial data

2022

<p><b>PLN 44.8 million</b> Revenues</p>	<p><b>PLN 11.0 million</b> Non-IFRS EBITDA</p>
<p><b>PLN 7.4 million</b> Non-IFRS EBIT</p>	<p><b>PLN 6.3 million</b> Non-IFRS net profit</p>

H1 2023

<p><b>PLN 28.3 million</b> Revenues <b>+31%</b></p>	<p><b>PLN 6.7 million</b> Non-IFRS EBITDA <b>+19%</b></p>
<p><b>PLN 4.7 million</b> Non-IFRS EBIT <b>+19%</b></p>	<p><b>PLN 4.0 million</b> Non-IFRS net profit <b>+24%</b></p>



## Key objectives

- The position of a leading integrator of cloud solutions in Poland
- The role of a key provider of advanced services and IT technologies for the Asseco Group

# Attachments



# Development of Asseco's competence areas

Revenues in H1 2023

## Strong position in the area of:

**Finance and Banking**

PLN 2.9 billion

## Development in new areas:

**Cloud solutions**

PLN 545 million

**Cyber Security**

PLN 143 million

**Robotics**

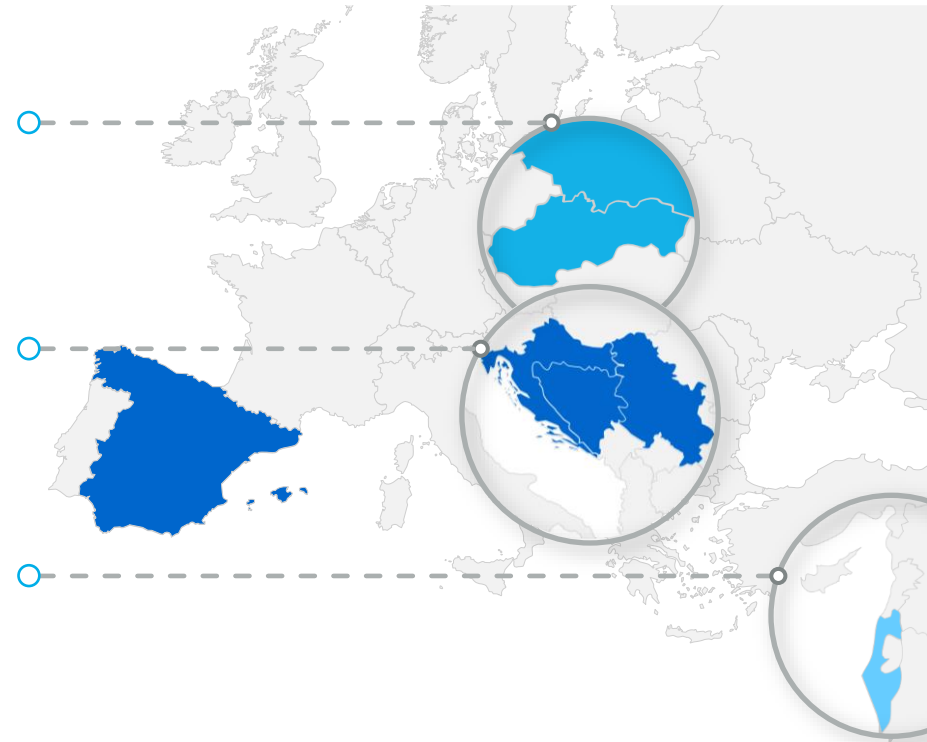
PLN 34 million

## INTERNATIONAL COMPETENCE CENTERS

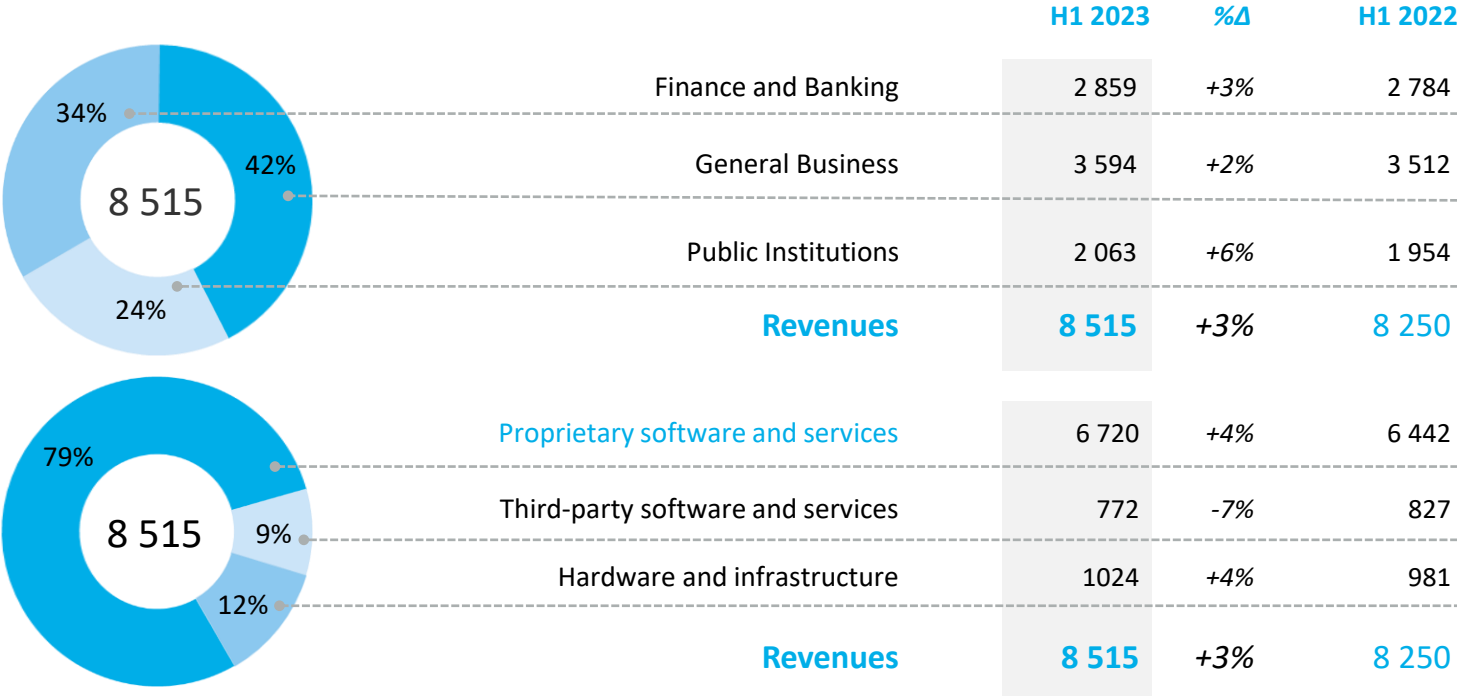
**ERP**  
 PLN 451 million  
 Asseco Enterprise  
 Solutions

**Payments**  
 PLN 366 million  
 Payten

**Insurance**  
 PLN 1 081 million  
 Sapiens International

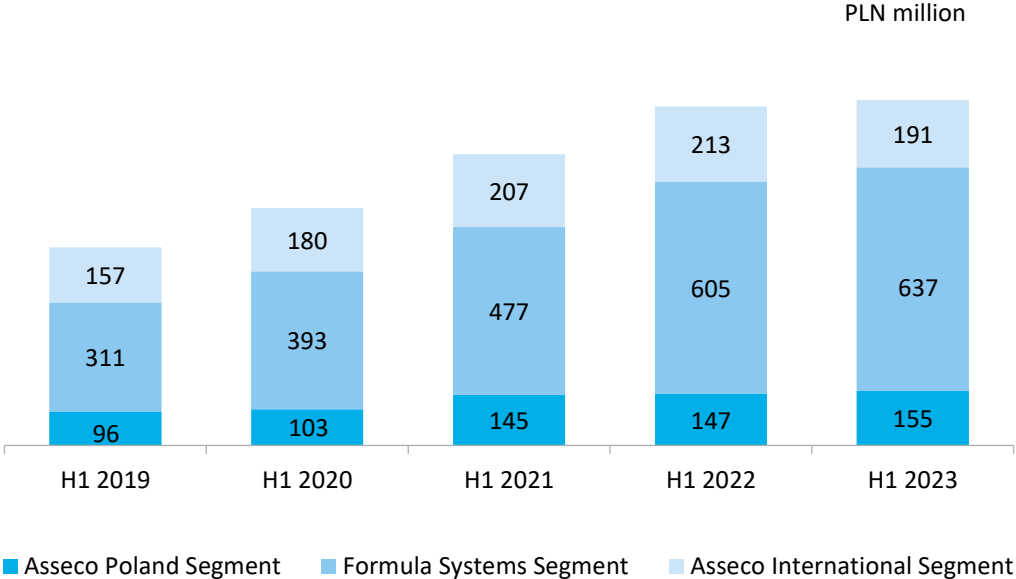
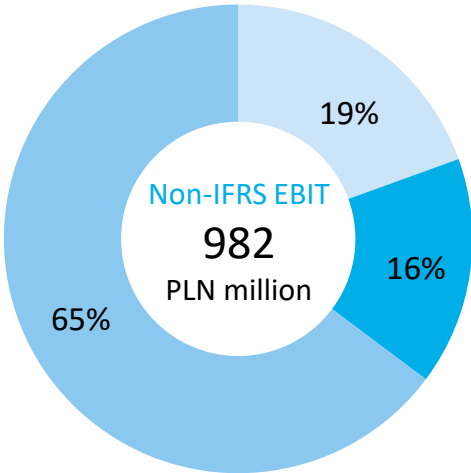


# Revenues by sectors and products



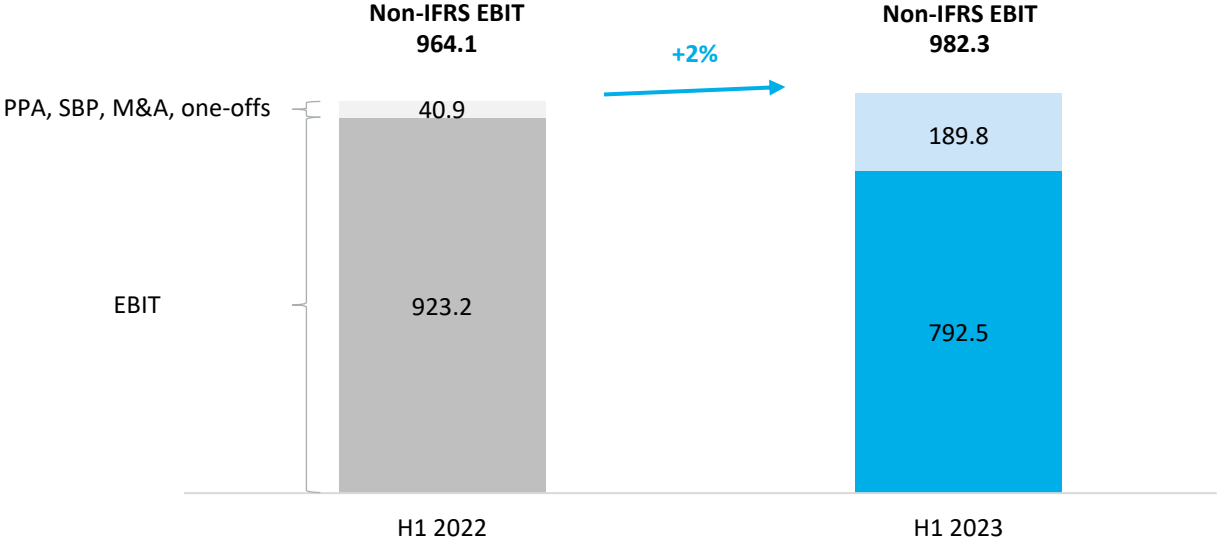
Figures in PLN million.

# Non-IFRS operating profit



Figures do not include consolidation adjustments.

# Non-IFRS operating profit



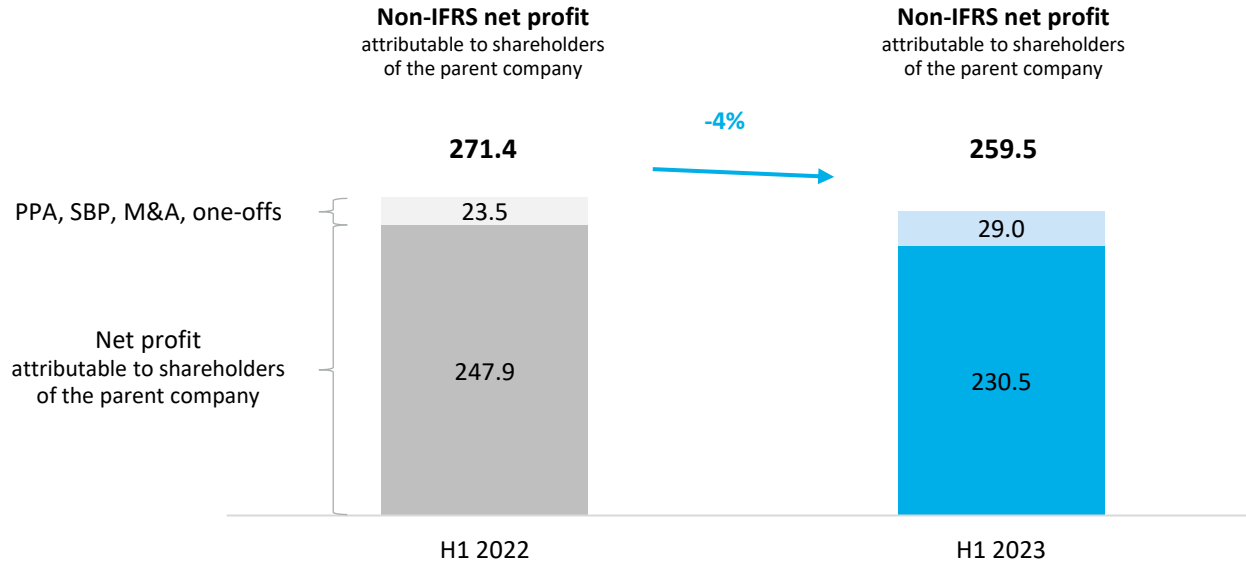
Figures in PLN million.

PPA: cost of amortization of intangible assets recognized in purchase price allocation.

SBP: costs of share-based payment transactions with employees.

M&A and one-offs: financial costs/revenues related to company acquisitions/sales transactions and one-offs.

# Non-IFRS net profit



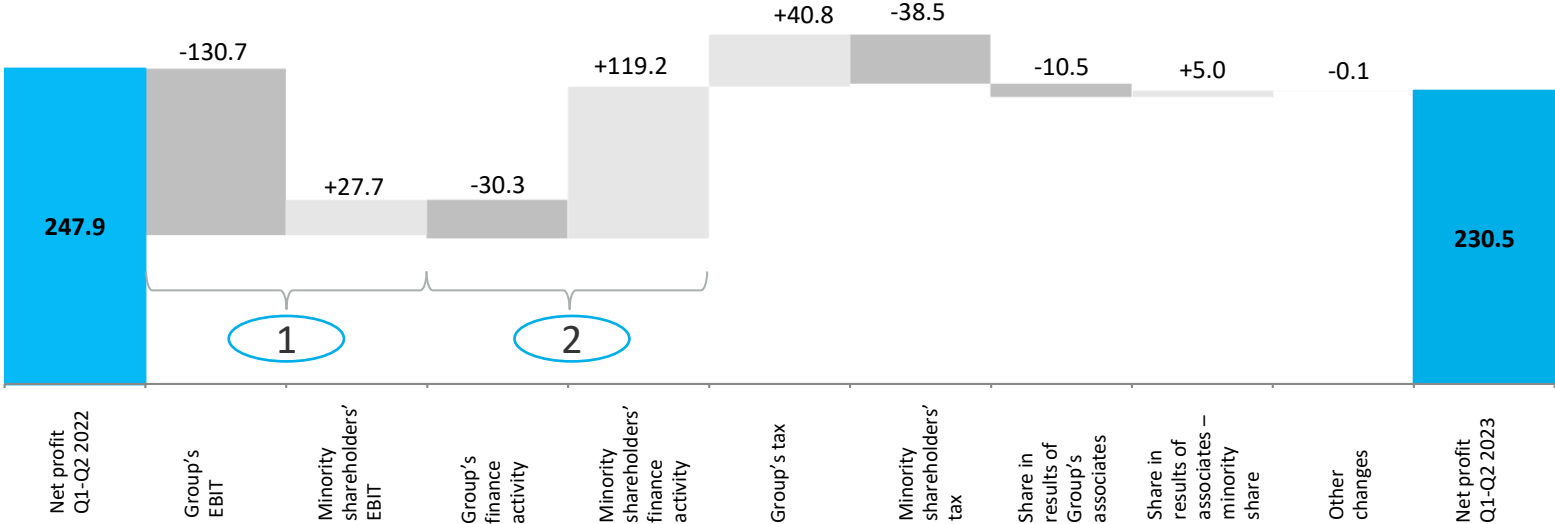
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SBP: costs of share-based payment transactions with employees.

M&A and one-offs: financial costs/revenues related to company acquisitions/sales transactions and one-offs.

# Asseco Group: explanation of change in net profit



	EBIT change	Change for minority shareholders	Change for Asseco shareholders
Asseco Poland Segment	+2.4	+1.0	+1.4
Other markets	-133.1	-28.7	-104.4
<b>Asseco Group</b>	<b>-130.7</b>	<b>-27.7</b>	<b>-103.0</b>

	Change in financial activity	Change for minority shareholders	Change for Asseco shareholders
Asseco Poland Segment	+6.3	+0.8	+5.5
Other markets	-36.6	-120.1	+83.5
<b>Asseco Group</b>	<b>-30.3</b>	<b>-119.2</b>	<b>+88.9</b>



# Revenues by regions and sectors in H1 2023

	General Business	Finance and Banking	Public Institutions	Total**
Asseco Poland Segment	233.4	293.6	443.7	970.7
Formula Systems Segment	2 431.9	1 877.0	1 317.1	5 626.0
Asseco International Segment	942.5	695.7	304.0	1 942.2
Central European market	535.4	61.6	223.9	821.0
South Eastern European market	184.7	522.6	49.5	756.8
Western European market	221.2	110.5	37.4	369.1
<b>Asseco Group*</b>	<b>3 594.2</b>	<b>2 858.7</b>	<b>2 062.5</b>	<b>8 515.4</b>

Figures in PLN million.

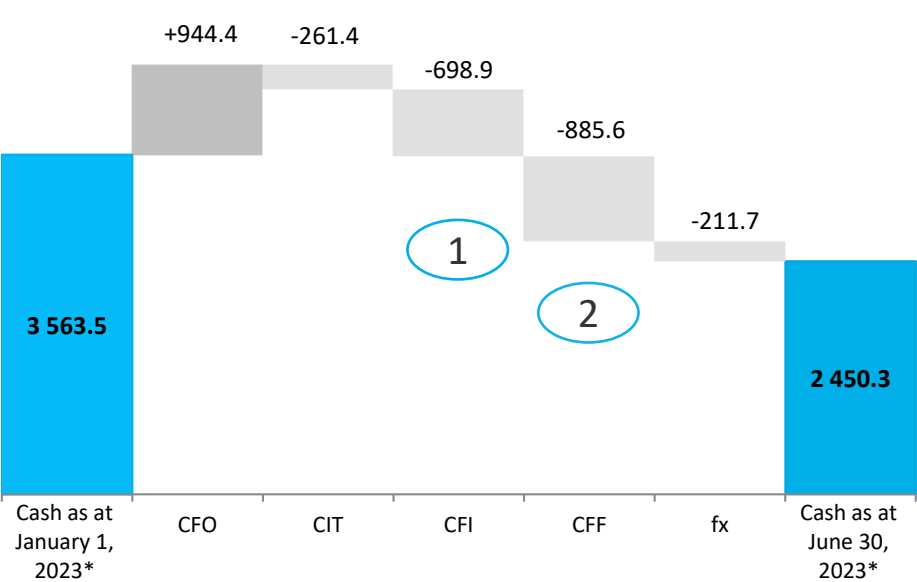
\* Figures including consolidation adjustments.

\*\* Market revenues include sales to external customers and sales between segments.

# Asseco Group: non-IFRS adjustments

	Impact on operating profit			Impact on net result		
	H1 2023	H1 2022	Δ	H1 2023	H1 2022	Δ
<b>PPA</b>	<b>-145.8</b>	<b>-148.0</b>	<b>+2.3</b>	<b>-24.0</b>	<b>-25.3</b>	<b>+1.3</b>
Asseco Poland Segment	-7.0	-6.4	-0.6	-5.8	-5.2	-0.6
Formula Systems Segment	-130.0	-130.0	-	-13.2	-14.0	+0.8
including those relating to the acquisition of Formula Group	<b>-51.1</b>	<b>-51.9</b>	<b>+0.9</b>	<b>-4.6</b>	<b>-5.3</b>	<b>+0.7</b>
Asseco International Segment	-8.7	-11.6	+2.9	-5.0	-6.0	+1.1
Central European market	-1.4	-1.2	-0.2	-0.9	-0.8	-0.1
South Eastern European market	-4.5	-6.5	+2.0	-1.9	-2.7	+0.8
Western European market	-2.8	-3.9	+1.1	-2.1	-2.5	+0.4
<b>SBP</b>	<b>-39.2</b>	<b>-32.2</b>	<b>-7.0</b>	<b>-6.9</b>	<b>-6.3</b>	<b>-0.6</b>
Formula Systems Segment	-38.9	-32.1	-6.8	-6.7	-6.3	-0.5
Asseco International Segment	-0.3	-0.1	-0.2	-0.2	-0.1	-0.1
South Eastern European market	-0.3	-0.1	-0.2	-0.2	-0.1	-0.1
<b>M&amp;A and one-offs</b>	<b>-4.9</b>	<b>139.4</b>	<b>-144.3</b>	<b>1.9</b>	<b>8.1</b>	<b>-6.3</b>
Asseco Poland Segment	-4.9	-0.2	-4.8	-5.2	-0.2	-5.0
Formula Systems Segment	-4.5	184.9	-189.4	-1.1	17.5	-18.6
Asseco International Segment	4.5	-45.3	+49.8	8.2	-9.2	+17.4
South Eastern European market	2.3	-0.7	+3.0	6.0	9.3	-3.4
Western European market	2.2	-44.3	+46.5	2.2	-21.6	+23.8
Other	0.0	-0.2	+0.2	0.0	3.1	-3.1
<b>Total non-IFRS adjustments (PPA, SBP, M&amp;A and one-offs)</b>	<b>-189.8</b>	<b>-40.9</b>	<b>-149.0</b>	<b>-29.0</b>	<b>-23.5</b>	<b>-5.6</b>
including those relating to the acquisition of Formula Group	<b>-51.1</b>	<b>-51.9</b>	<b>0.9</b>	<b>-4.6</b>	<b>-5.3</b>	<b>0.7</b>

# Explanation of change in consolidated cash balance\*



**1** Cash from investing activities

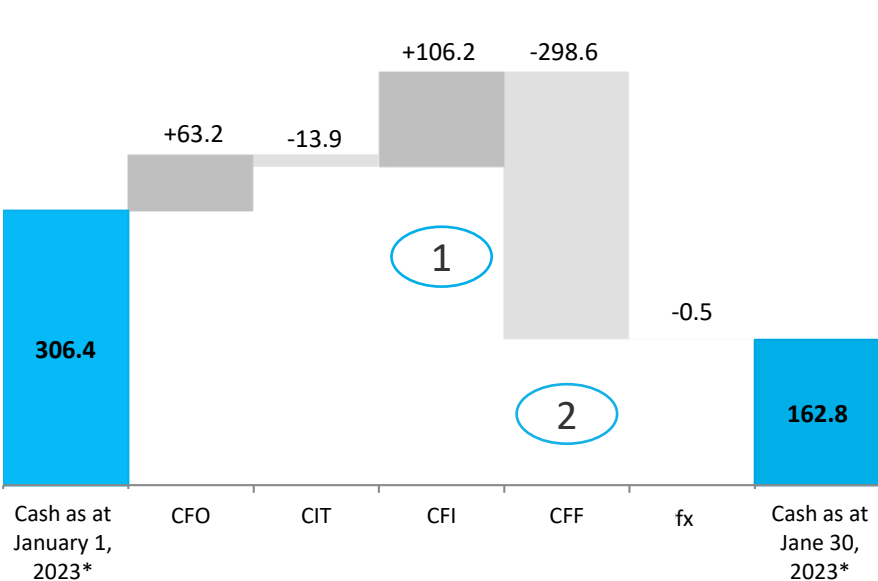
M&A	-240.7
CAPEX + R&D	-166.8
Loans, debt instruments and other	-291.4
<b>Total</b>	<b>-698.9</b>

**2** Cash from financing activities

Dividends paid by Asseco Poland	-290.5
Dividends for minority shareholders	-228.8
Debt and leasing	-331.6
M&A	-46.7
Other	+12.0
<b>Total</b>	<b>-885.6</b>

\* Net cash and cash equivalents include bank credits on current account used for current liquidity management.

# Explanation of change in stand-alone cash balance\*



**1** Cash from investing activities

Dividends	+143.3
CAPEX + R&D	-27.7
M&A	-8.1
Loans	-1.3
<b>Total</b>	<b>+106.2</b>

**2** Cash from financing activities

Dividend	-290.5
Debt and leasing	-8.1
<b>Total</b>	<b>-298.6</b>

\* Net cash and cash equivalents include bank credits on current account used for current liquidity management.

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