



PRESENTATION OF RESULTS

H1 2014

**WE'RE AHEAD OF THE MARKET**





## Major events in H1 2014

# Major events in H1 2014

## GROWTH FACTORS



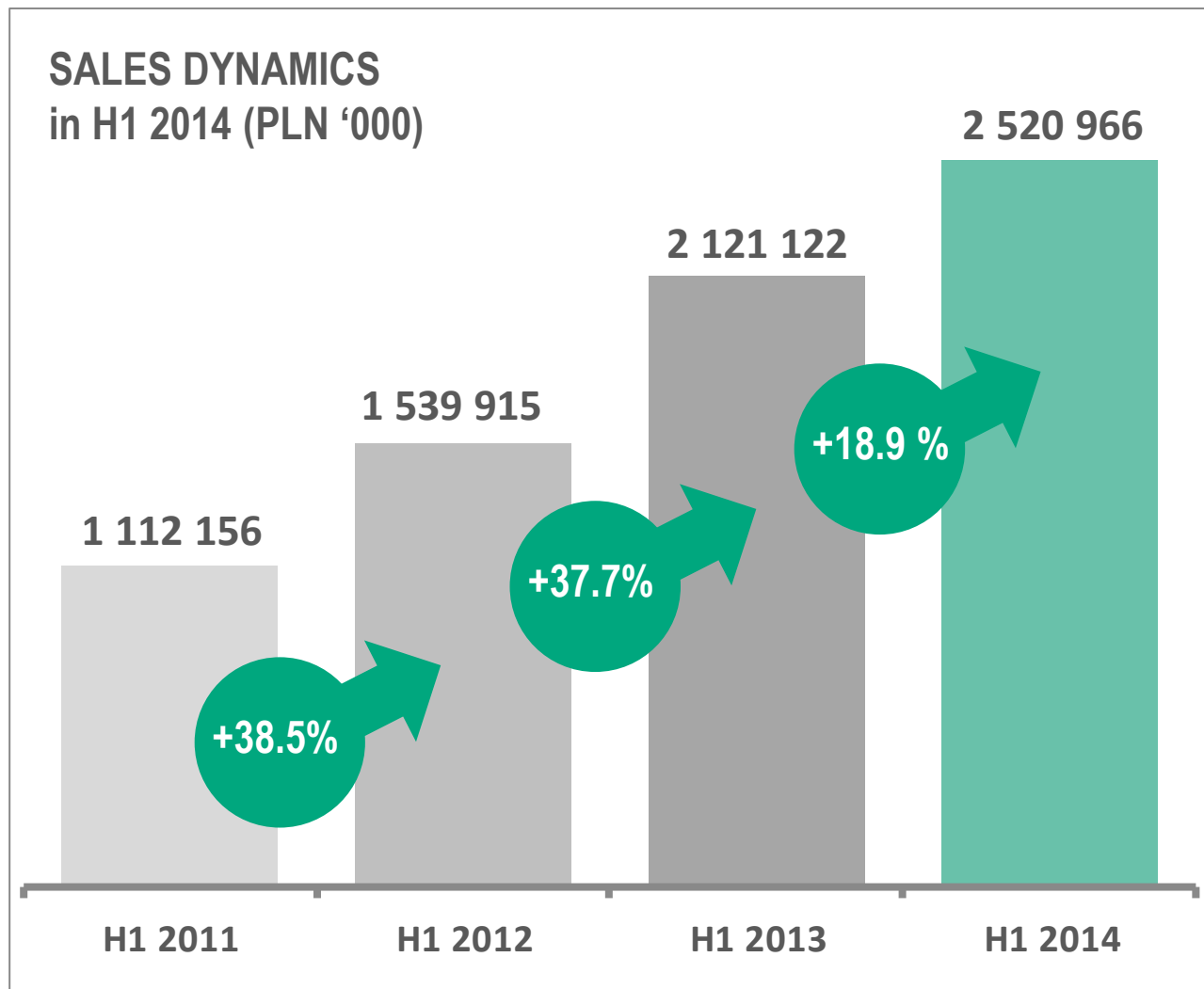
## MAJOR EVENTS

- Acquisition of 100% of ACTION EU shares 
- Purchase of 51% of the shares 
- Distribution Contract - HP Networking and HP Storage 
- International agreement covering Poland, the Czech Republic, Hungary and Slovakia 
- Incorporation of a new company. Entering into a new business line - the development of mobile games 

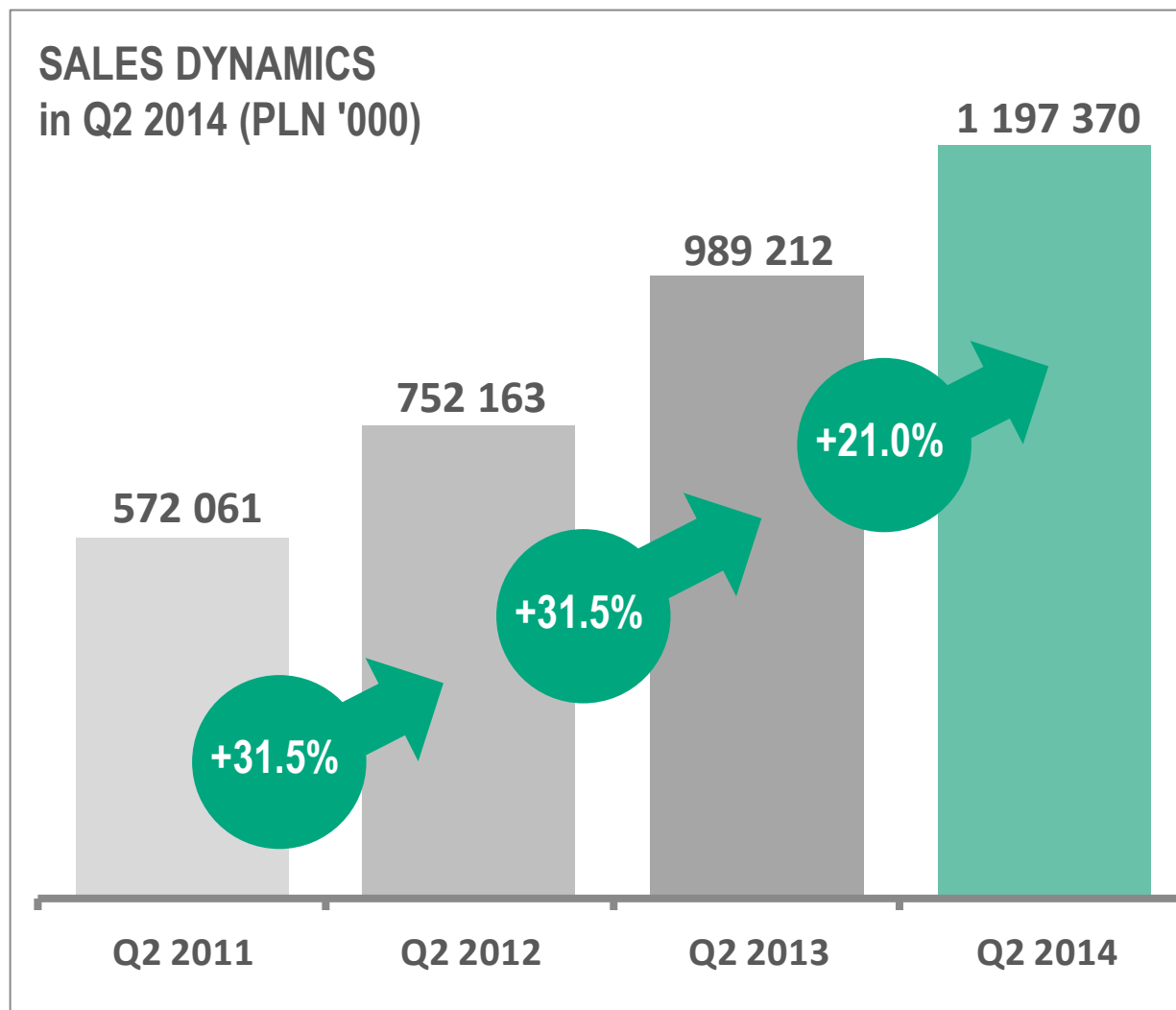


## Financial results for H1 2014

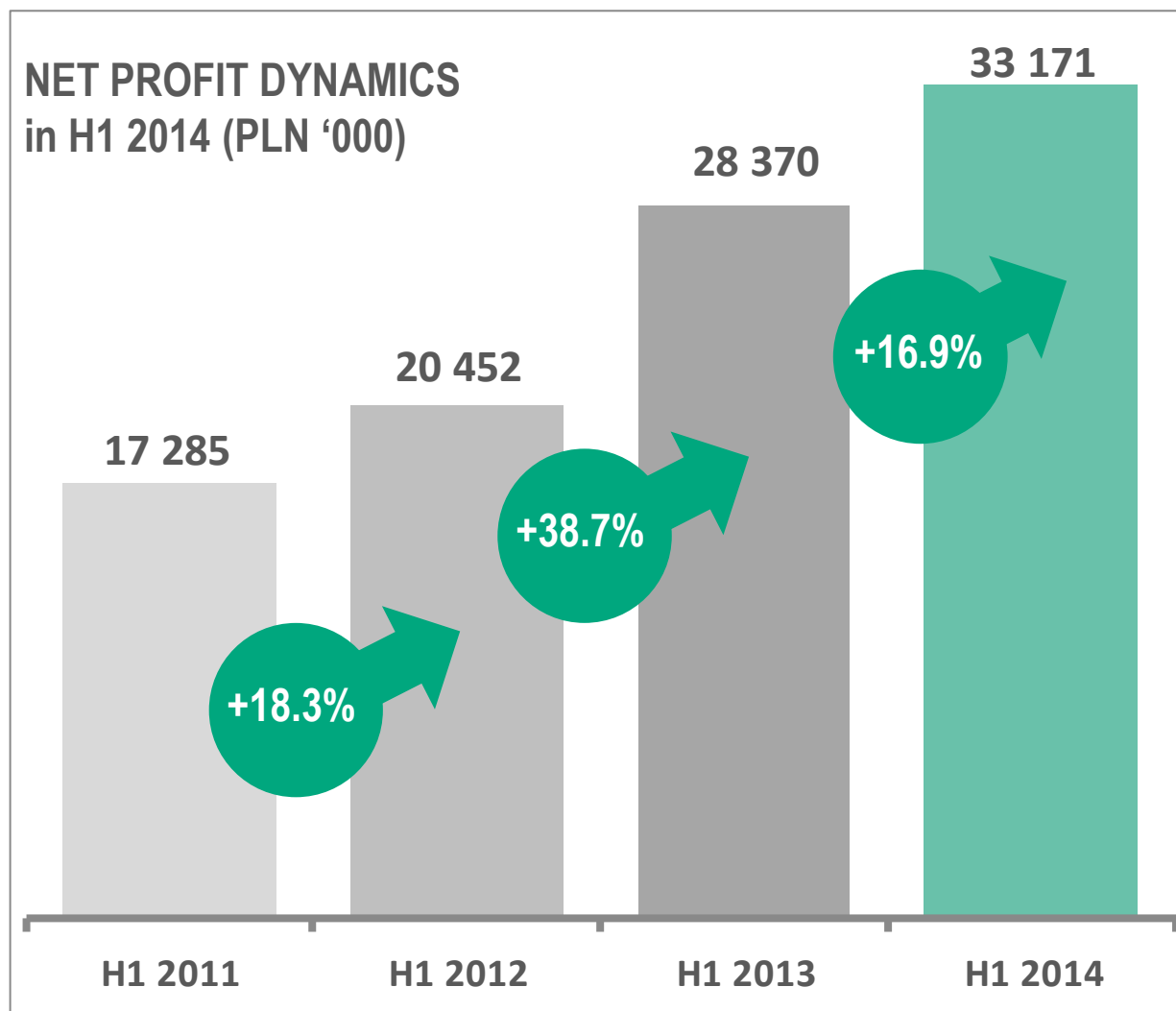
# GK ACTION Revenues



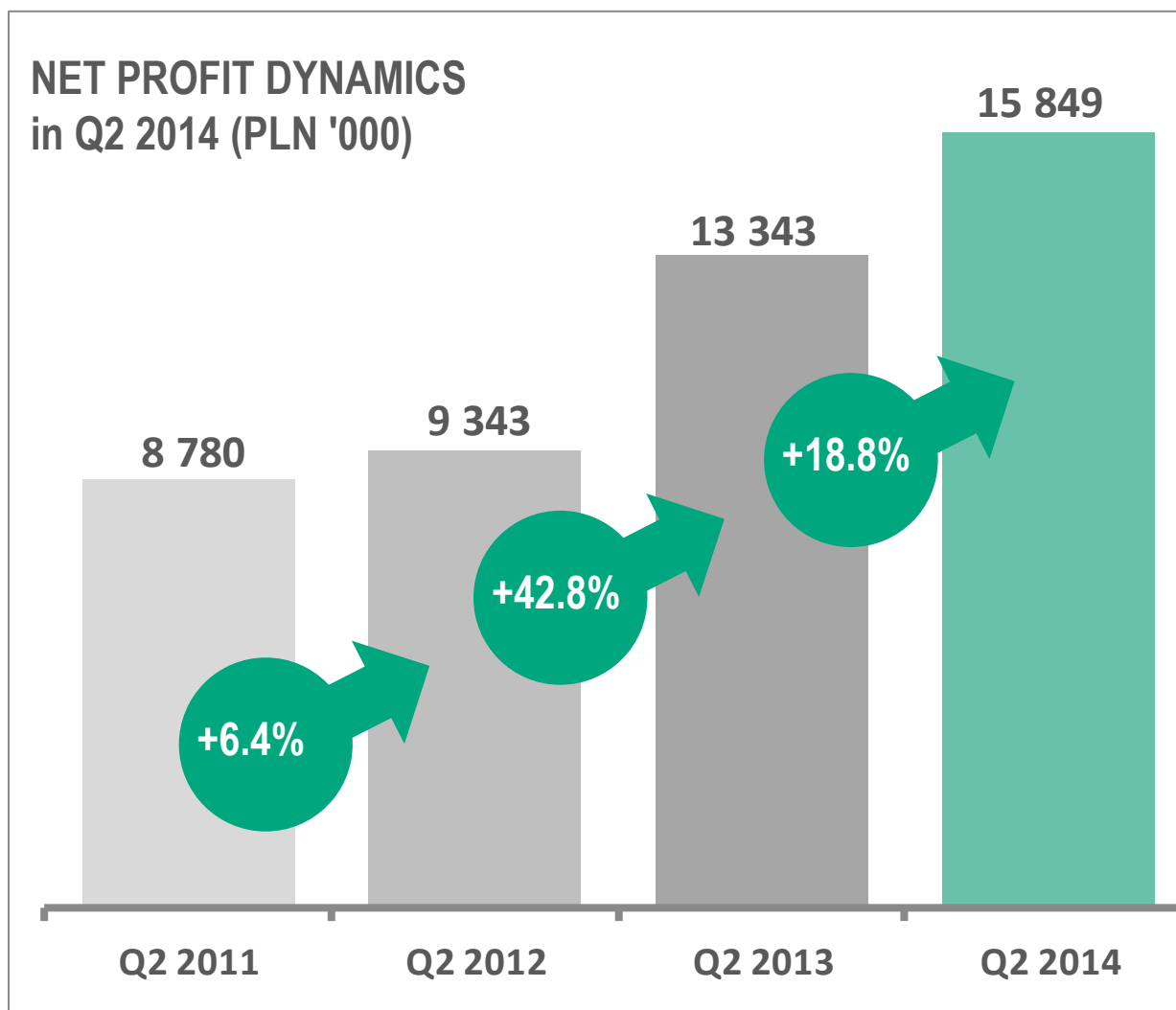
# GK ACTION Revenues



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# Selected financial data of GK ACTION

	Q2 2013	Q2 2014	Change (%)	H1 2013	H1 2014	Change (%)
<b>Sales revenue</b>	989 212	1 197 370	21.0%	2 121 122	2 520 966	18.9%
<b>Gross profit on sales</b>	71 605	76 289	6.5%	129 205	153 037	18.4%
<b>Gross margin on sales</b>	7.2%	6.4%	-0.8 pp	6.1%	6.1%	
<b>Sales and marketing costs</b>	-45 262	-46 452	3.2%	-77 613	-92 865	19.7%
<b>In relation to revenues</b>	-4.6%	-3.9%	0.7 pp	-3.7%	-3.7%	
<b>Administrative expenses</b>	-6 712	-7 425	6.9%	-12 879	-15 406	19.6%
<b>In relation to revenues</b>	-0.7%	-0.6%	0.1 pp	-0.6%	-0.6%	
<b>Other revenues and expenses</b>	-861	-788	-8.5%	377	325	-13.8%
<b>Net income on operational activities</b>	18 770	21 624	15.2%	39 090	45 091	15.4%
<b>Net finance costs</b>	-1 408	-1 779	26.3%	-2 991	-3 155	5.5%
<b>Net profit</b>	13 343	15 849	18.8%	28 370	33 171	16.9%
<b>Profit margin</b>	1.3%	1.3%		1.3%	1.3%	

# Cash flows

	H1 2013	H1 2014
Net cash flows from operating activity	85 838	-57 117
Net cash flows from investment activities	-7 202	-29 514
Net cash flows from financial activities	-72 796	65 828

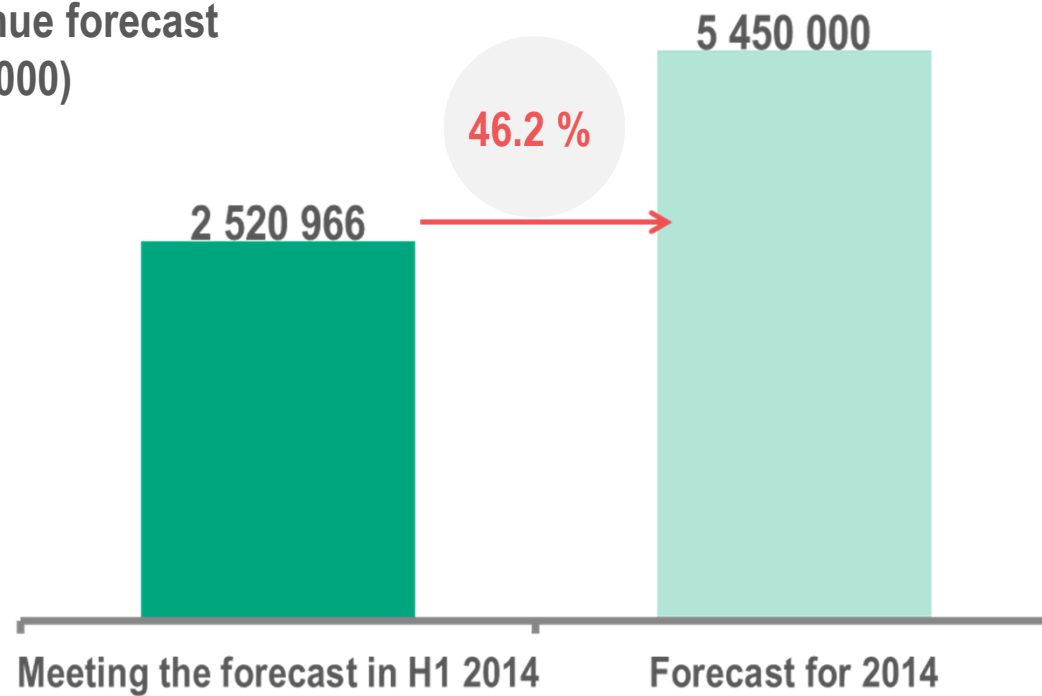
	Q2 2013	Q2 2014
Net cash flows from operating activity	55 737	32 627
Net cash flows from investment activities	-6 179	-16 306
Net cash flows from financial activities	-69 335	-7 373

# Cash conversion cycle

	30.06.2013	30.06.2014
Inventory turnover	28	33
Flow of receivables	36	31
Repayment of liabilities	51	45
<b>Cash conversion</b>	<b>14</b>	<b>18</b>

# Meeting the GK ACTION forecast

Meeting the revenue forecast  
in H1 2014 (PLN '000)



Meeting forecasts by GK ACTION in previous years	
2012	2013
43.8 %	44.7 %



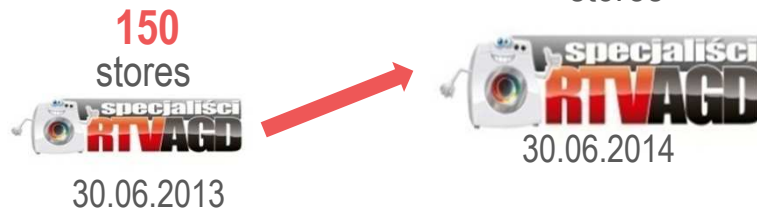
# GK ACTION companies and projects in H1 2014

# Sales development of audio/video appliances & household equipment

## PARTNERSHIP PROGRAM EXPERTS IN AUDIO/VIDEO APPLIANCES & HOUSEHOLD EQUIPMENT

- More than **76%** increase in sales

- Increase in the number of stores **210** stores



- More than **43%** sales growth in terms of like-for-like sales (150 stores)
- Local marketing support for our partners



# Tenders and corporate sales

## TENDERS



Ostrowiec Świętokrzyski  
Municipality



Poznan City Hall



European Organization  
for Nuclear Research



Border Guard



Hospital in Bielsko-Biała

The total value of tenders awarded in H1 2014

PLN **50 million**

# Private labels - Actina

## PRESTIGIOUS IMPLEMENTATION, TENDERS

- Further implementation in the European Organization for Nuclear Research in H1 2014 for more than **\$2 million**
- More than **3 200** Actina servers at CERN since 2006.





# ACTION Enterprise

## DEVELOPMENT OF ACTION ENTERPRISE





- Specialized division of advanced design solutions for corporate customers
- Over **62%** turnover increase (H1 2013 vs. H1 2014)
- More than **750** unique partners
- Increase in the no. of customers: → **1054**

30.06.2013

**1182**

30.06.2014



-  Extension of engineering sales support
- Distribution contracts  Networking and  Storage
- No. **1** in **FUJITSU**
- No. **2** in  → 80% increase in sales planned for the end of Q3 2014

# New business in GK ACTION

## DEVELOPMENT OF MOBILE GAMES

- More than **30** highly skilled professionals from the IT and gaming industry
- First alpha tests in Q2 2014:

**1** Strategic game  
inspired by Nordic and Slavic mythologies

**2** Casual game  
with simple rules





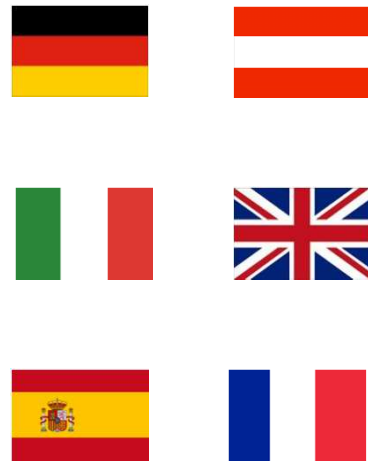
# International expansion

# Three pillars of GK ACTION international expansion

1 



2 



3 Export



44  
countries of  
the world

# ACTION Europe GmbH

## GROWTH OF THE GERMAN DISTRIBUTOR

- Acquisition of 100% of shares by ACTION S.A.
- Steadily increasing the number of customers:



4 907 unique customers

more than 2 200 customers served per month

- Turnover:

€ 63 million - Turnover in H1 2014 → € 138 million - plan for 2014

- Important distribution contracts concluded by the end of H1 2014:



# Lapado

## ACQUISITION OF 51% OF LAPADO SHARES

- Turnover:  
**€ 37 million** of turnover in H1 2014.  
Target for 2014: **€ 100 million**

- Broad customer database:

 x **217 938**

- Product groups:

IT, audio/video appliances & household equipment, toys, accessories for children, office products and others



# EXPORT

## GRADUAL GROWTH OF EXPORTS



- More than **60** product groups



- Exports to **422** customers in H1 2014.
- Exports to **44** countries



**Active Jet**®

**ACTINA**®

 **Actis**

 **PENTAGRAM**  
POWERED BY ACTINA

**Private labels**



# Private labels - ActiveJet, Actina

## STRENGTHENING THE LEADING POSITION



- Gradual expansion of the product portfolio
- Most popular consumer brands:



## GEOGRAPHICAL DIVERSIFICATION



- Intensive development on foreign markets: *Germany, Slovakia, Slovenia, Greece, Lithuania, Estonia, Russia, Ireland, Spain, Bulgaria, and Hungary*
- Entering new markets in H1 2014: *Romania*  *The Netherlands*  *Croatia* 
- Number **2** in the replacement consumables market in the Czech Republic\* (according to IDC)



## Directions of growth

# Expansion of the logistics centre

FIRST REPLENISHMENT BY DECEMBER 2014



SIGNIFICANT INCREASE IN WAREHOUSE PERFORMANCE



32 000 M<sup>2</sup> → Warehouse surface area → 52 000 M<sup>2</sup>

45 000 packets per day → Warehouse Throughput → 100 000 packets per day

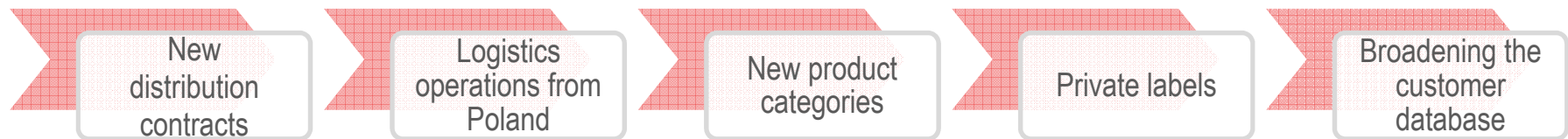
18 000 SKU → Number of items → 50 000 SKU

# Gradual growth in activities

## DEVELOPMENT IN POLAND



## DEVELOPMENT IN EUROPE



# Thank You



Reliable partner:



GIEŁDA PAPIERÓW  
WARTOŚCIOWYCH  
w Warszawie



**REMONDIS**  
ELECTRORECYCLING

