

Executive update of the Distribution Industry

Introduction by TUBISAD - Atilla KAYALIOGLU / TUBISAD Board Member

Presentations by CONTEXT

14th March, 2022

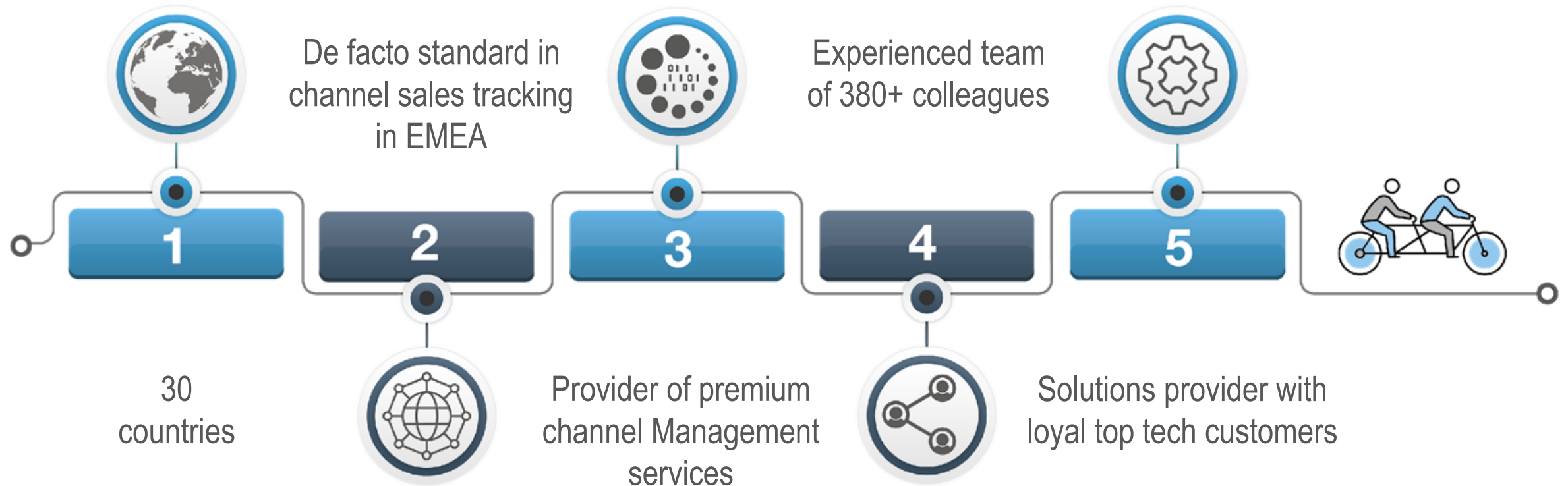
1. Introduction by TUBISAD - Atilla Kayalioglu / TUBISAD Board Member
2. Overview of Turkey IT Panel - Erol Kuseyri / CONTEXT Turkey Country Manager
3. 2022 Outlook for Europe - Adam Simon / CONTEXT Global Director
4. Review of the IT Channel Performance and Plans 2022 for META - Timothy Davies - ME Country Manager Q&A



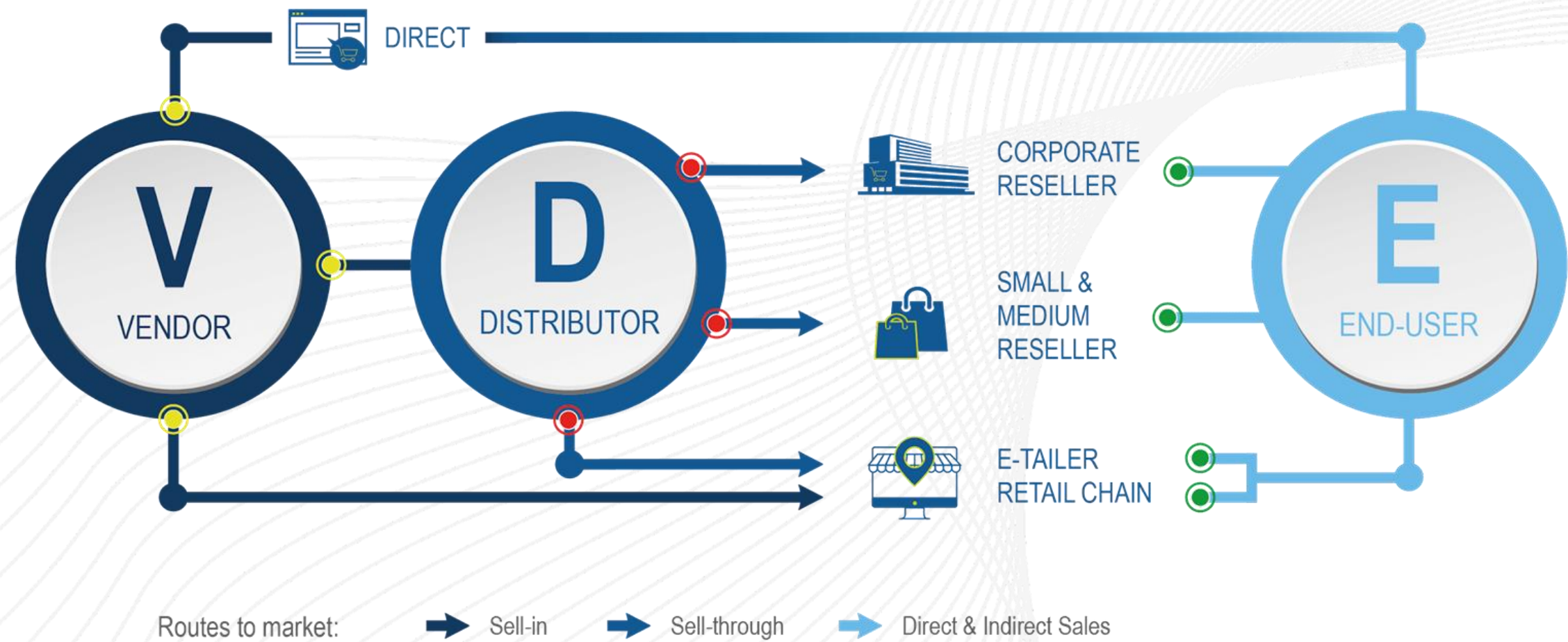
TURKEY PANEL

Erol Kuseyri
Country Manager Turkey
CONTEXT META

35+ YEARS INTO THE JOURNEY



CONTEXT DISTRIBUTION PANEL IS THE CHANNEL DATA REFERENCE



FEEDBACK FROM OUR PARTNERSHIP



«As KOYUNCU, The result of the CONTEXT data is giving us a good opportunity to see the **big picture** for value of IT Market. CONTEXT is one of our **most important business partners**.»

Şahin ZANBAK - Group Director / KOYUNCU ELEKTRONİK

«CONTEXT is providing us with an in depth statistics of the sector where the data is collected from the first hand. This **objectivity and reliability** are especially important where there are no guesses, subjective calculations and extrapolations. Last but not least, containing data from **other relevant countries** is giving possibility for country wide comparison as well.»

Kerem GÜNAY - Deputy of General Manager / ARENA



2022 OUTLOOK FOR EUROPE

Adam Simon
Global Managing Director
CONTEXT

Forces driving the IT Industry in 2022



01

Supply chain: 2022 starts with record backlogs, product shortage acts as a brake in H1 in value and volume products

02

Infrastructure: Growth in spending, in particular networking & storage. Servers continue to suffer with cloud move. Data centre pipeline to grow

03

Hybrid office/homeworking: More! Product refresh cycles start to kick in. Windows 11. Enriched products drive premium

04

Consumer: post covid demand is muted, varies across Europe

05

Growth shifts towards **software**. Cloud growth through distribution continues at 25%+ levels

06

Public sector stimulus: EU investment - Italy and Spain are leading the way

Major unknowns 2022

01

Cost of living: Inflation impact, tax increases and rising energy costs on consumer purse.



02

Public sector: Education - is there more to come?
Health & other sectors

03

Impact of sustainability initiatives: refurbished product, circular economy, repairability, Government legislation eg warranty periods

04

Covid impact on staffing levels: IT recruitment is hard, what is your competitive advantage now?

05

Geo-political uncertainty – impact of conflict in Ukraine

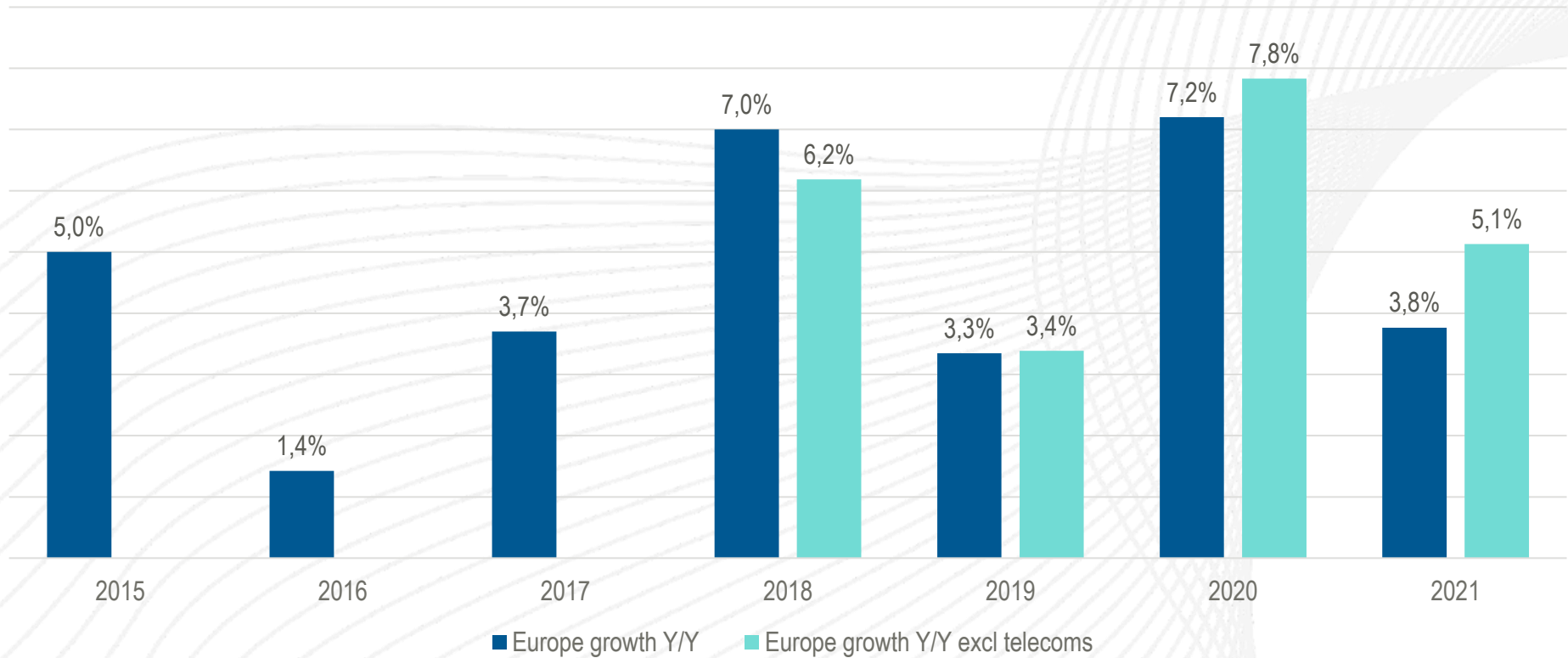
Impact of Ukraine 2022

- 01** Demand: Consumer - Inflation impact, logistics, and rising energy costs on consumer purse. Business - investment concerns
- 02** Sales to Russia: blockage of new sales and getting cash payments for backorders
- 03** Supply chain: delays in delivery, rail routes blocked
- 04** Manufacturing: eg Neon availability for semiconductor production
- 05** Software development: Ukraine is a big base for important IT players

DISTRIBUTION PERFORMS STRONGLY: EUROPE AVERAGE 4-5% GROWTH SINCE 2015



Distribution Sales by Year: 7 year history - annual growth



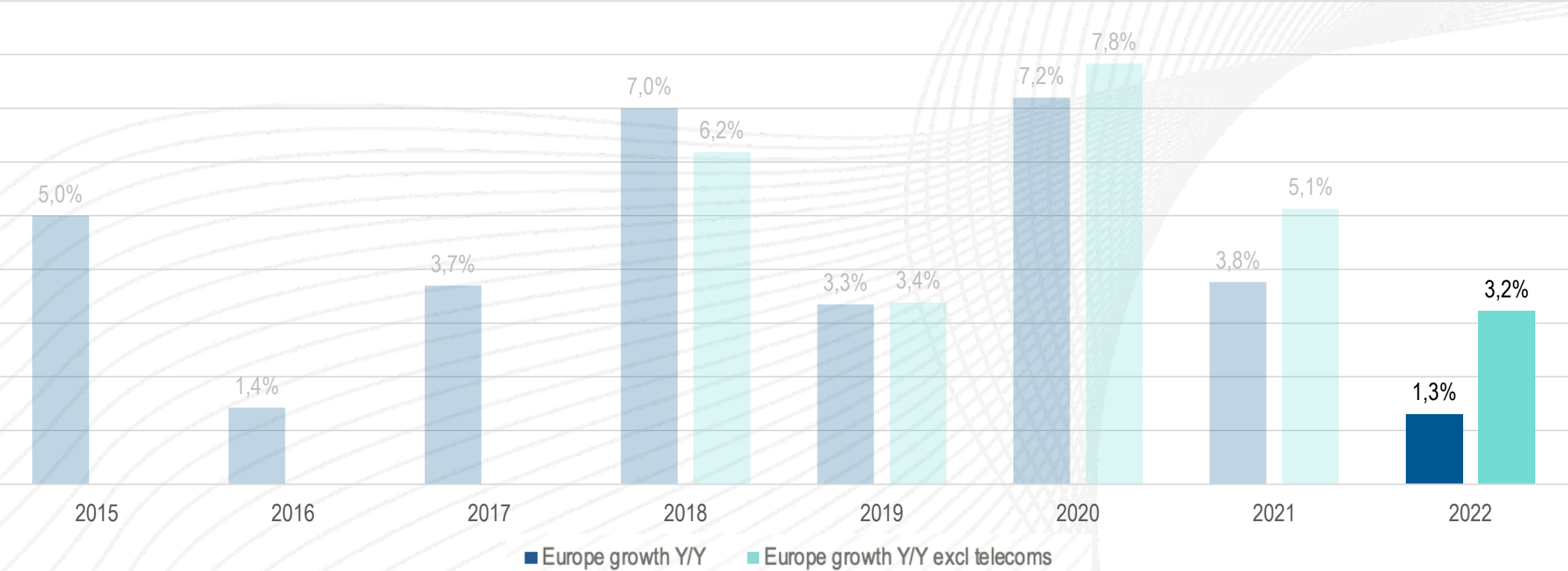
37% cumulative growth since 2014

Distribution sales translated at fixed € exchange rate and includes: Germany, UKI, France, Italy, Spain, Netherlands, Switzerland, Sweden, Austria, Belgium, Denmark, Portugal, Finland, Norway, Rest of Europe, Poland, Czech, Slovakia, Baltics

ANOTHER GROWTH YEAR IN 2022 ON THE BACK OF TOUGH H1 COMPARES, DRIVEN BY A CONTINUING IT REVOLUTION



Distribution Sales by Year: Annual Growth

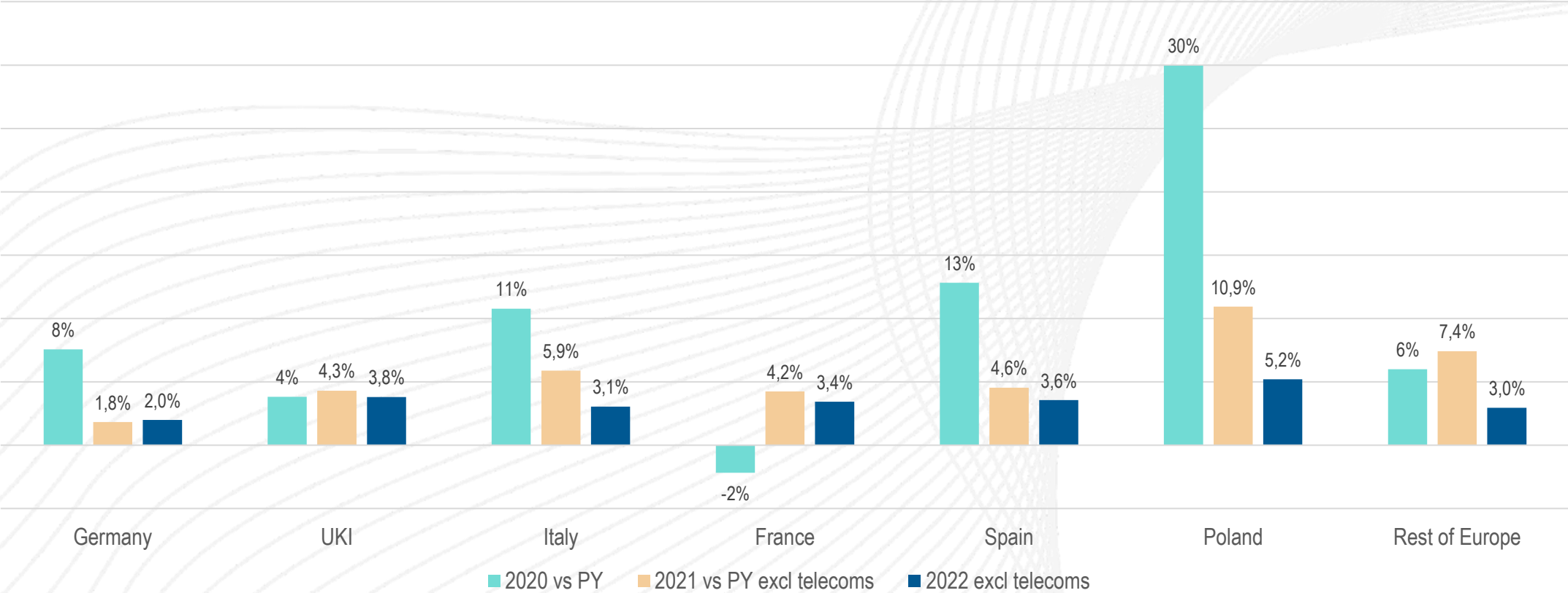


Distribution sales translated at fixed € exchange rate and includes: Germany, UKI, France, Italy, Spain, Netherlands, Switzerland, Sweden, Austria, Belgium, Denmark, Portugal, Finland, Norway, Rest of Europe, Poland, Czech, Slovakia, Baltics

ALL COUNTRIES FORECAST TO GROW IN 2022



Distribution Sales by Year: Annual Growth by Country

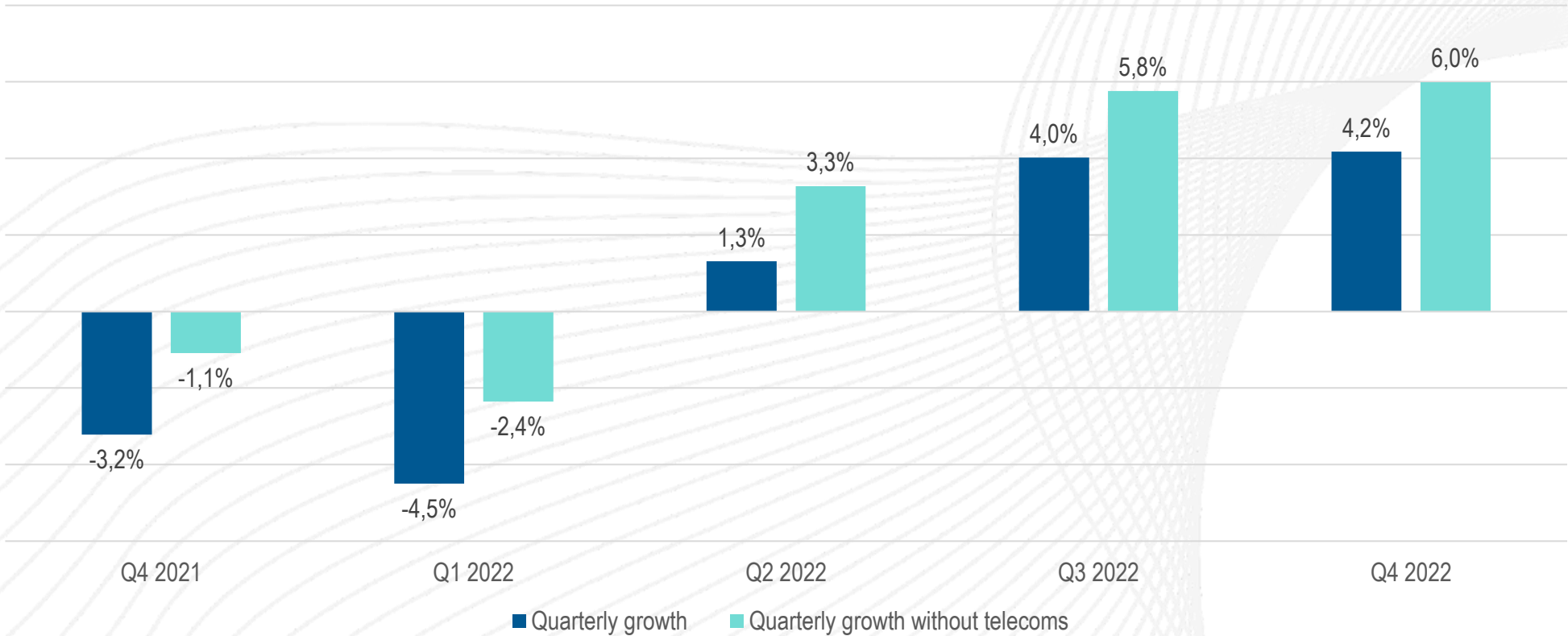


Distribution sales translated at fixed € exchange rate and includes: Germany, UKI, France, Italy, Spain, Poland, Other countries

THE QUARTERLY PROFILE IS INCREASING GROWTH



Distribution Sales by Year: 7 year history - quarterly growth

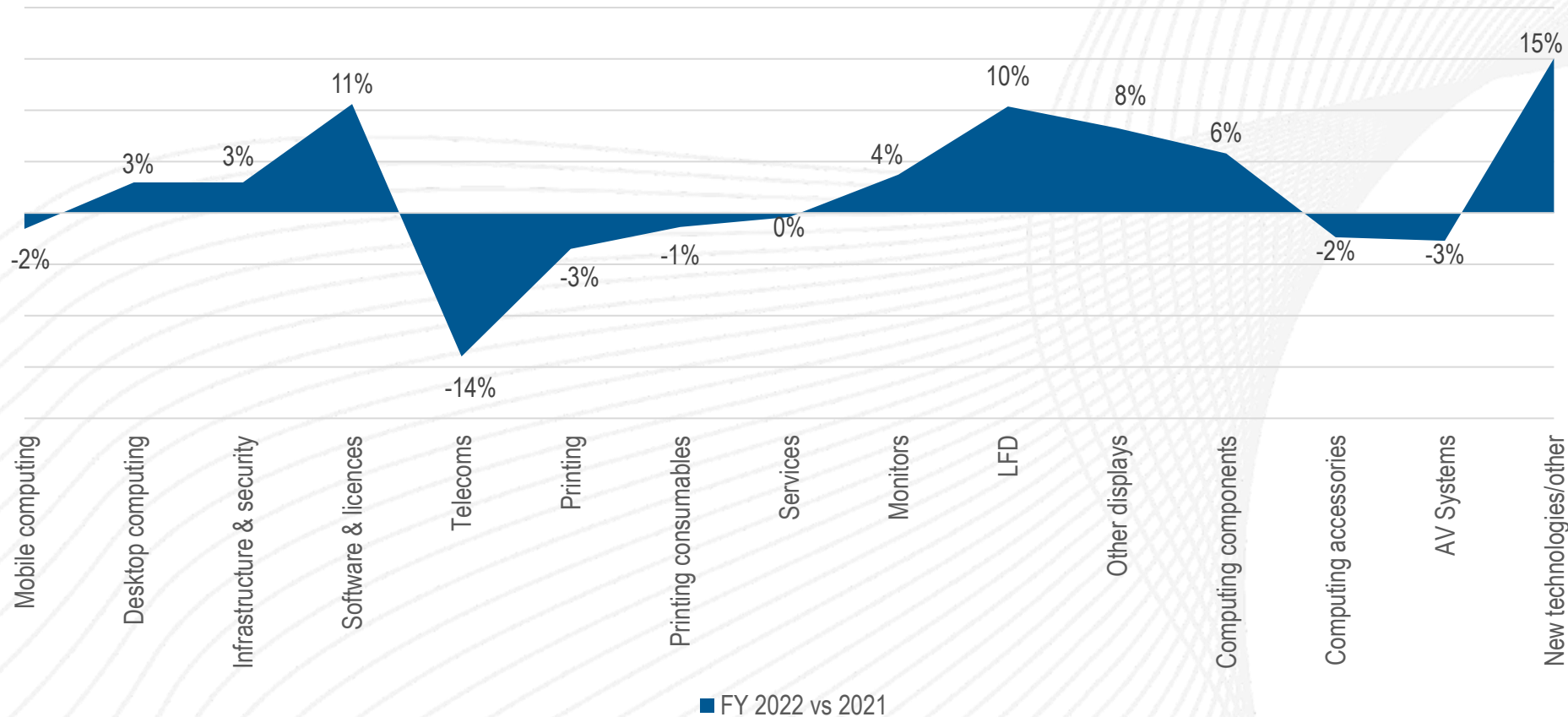


Distribution sales translated at fixed € exchange rate and includes: Germany, UKI, France, Italy, Spain, Netherlands, Switzerland, Sweden, Austria, Belgium, Denmark, Portugal, Finland, Norway, Rest of Europe, Poland, Czech, Slovakia, Baltics

THE OVERALL PICTURE BY KEY SECTOR IN 2022



Distribution Sales by Year: Annual Growth by key sector



Distribution sales translated at fixed € exchange rate and includes: Germany, UKI, France, Italy, Spain, Netherlands, Switzerland, Sweden, Austria, Belgium, Denmark, Portugal, Finland, Norway, Rest of Europe, Poland, Czech, Slovakia, Baltics



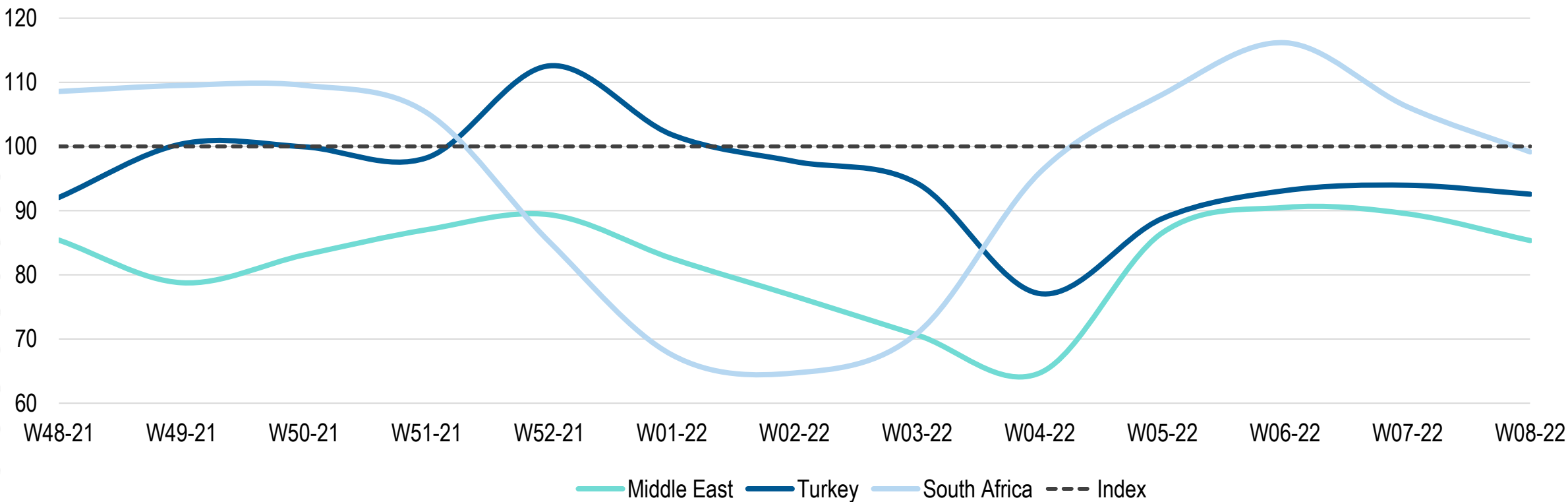
META PERFORMANCE & PLANS

Tim Davies
Country Manager Middle East
CONTEXT META

START OF THE YEAR IN META



Weekly Revenue Trend Index - Middle East & Turkey & South Africa
(Average 4 Weeks 2021 = 100)



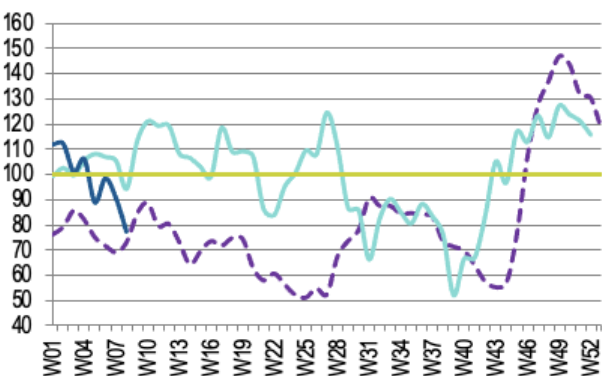
SOUTH AFRICA LEADS AT START OF 2022



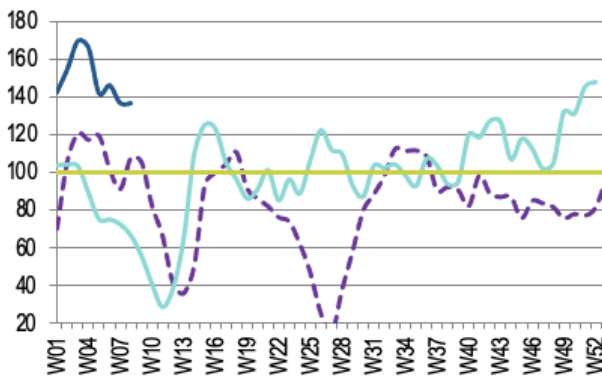
Distribution Sales Indices - Categories

Revenue Trend Index (Index base 100 = Weekly revenue average 2021 for Each Category)

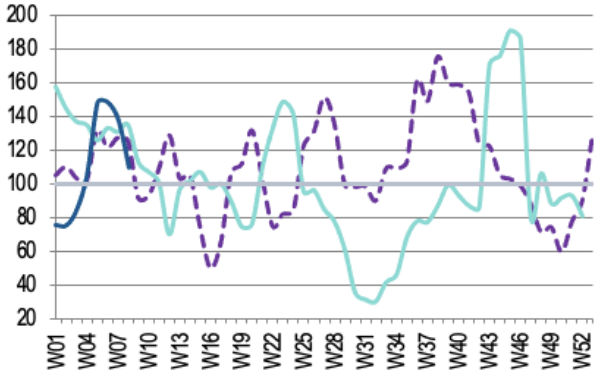
Notebooks Turkey



Notebooks S Africa



Notebooks Middle East



NOTEBOOKS TURKEY

2020 Revenue \$929M

2021 Revenue \$1bn

YoY 10.6%+ growth

2020 1.4M units sold

2021 1.3M units sold

-%1.8 decline

Distribution sales translated at daily \$ exchange rate.

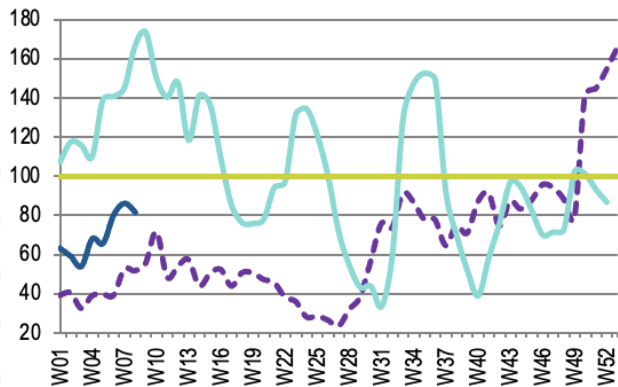
TABLETS



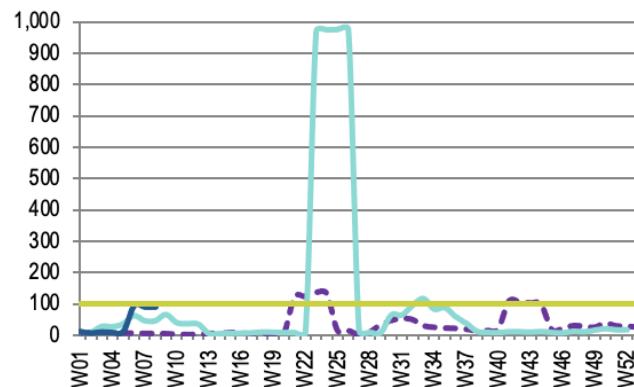
Distribution Sales Indices - Categories

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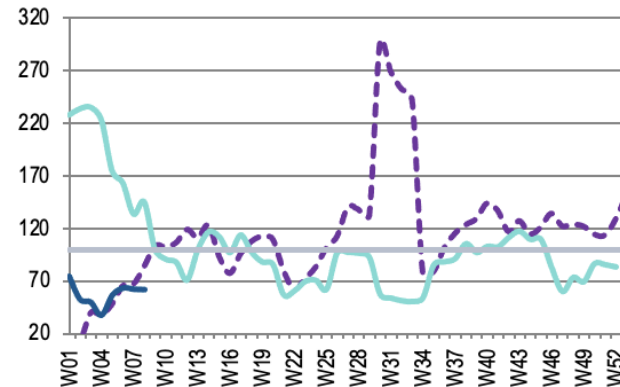
Tablet PCs Turkey



Tablet PCs S Africa



Tablet PCs Middle East



TABLETS TURKEY

2020 Revenue \$172M

2021 Revenue \$175M

YoY +2.1% growth

2020 706K units sold

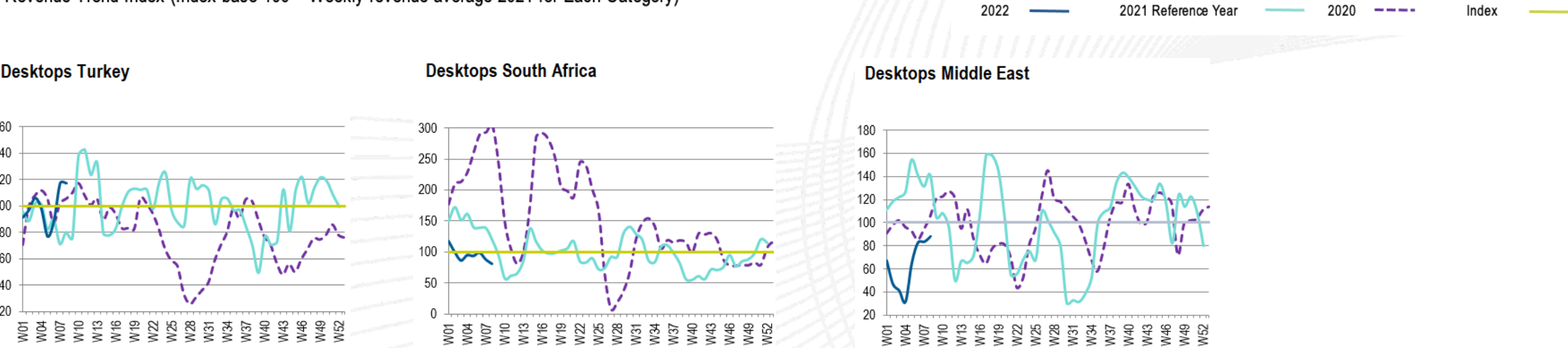
2021 589K units sold

YoY -16.5% units decline

Distribution sales translated at daily \$ exchange rate.

Distribution Sales Indices - Categories

Revenue Trend Index (Index base 100 = Weekly revenue average 2021 for Each Category)



DESKTOPS TURKEY
2020 Revenue \$154M
2021 Revenue \$195M
YoY +27% growth

2020 300K units sold
2021 345K units sold
YoY +15.4% units growth

Distribution sales translated at daily \$ exchange rate.

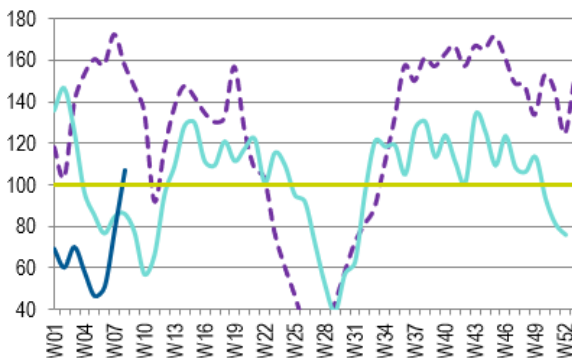
SMARTPHONE AND GRAPHIC CARDS



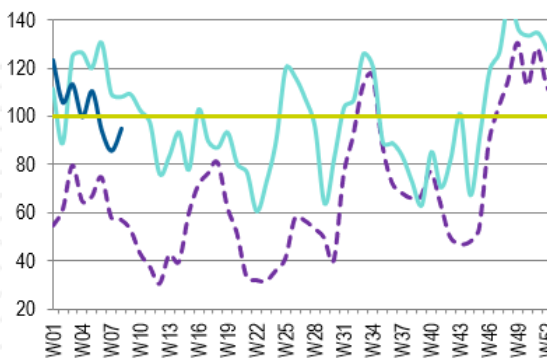
Distribution Sales Indices - Categories

Revenue Trend Index (Index base 100 = Weekly revenue average 2021 for Each Category)

Smartphones Turkey



Graphics Cards Turkey



SMARTPHONE TURKEY

2020 Revenue \$1.2 bln

2021 Revenue \$988M

YoY -15.4%+ decline

2020 2.3M units sold

2021 1.6M units sold

YoY -%29 units decline

GRAPHICS CARDS TURKEY

2020 Revenue \$100M

2021 Revenue \$125M

YoY +25% growth

2020 426K units sold

2021 286K units sold

YoY -33% units decline

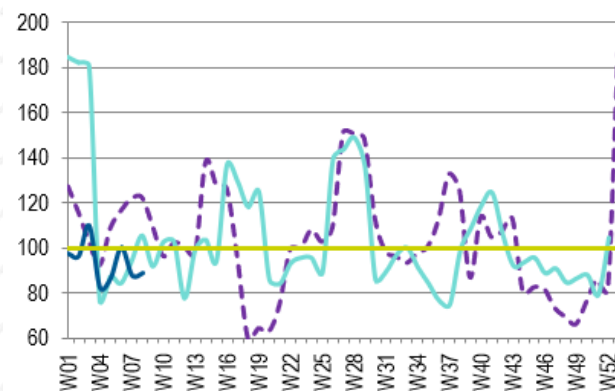
Distribution sales translated at daily \$ exchange rate.

Distribution Sales Indices - Categories

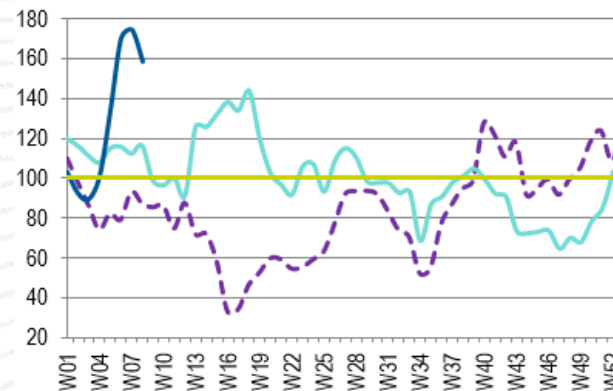
Revenue Trend Index (Index base 100 = Weekly revenue average 2021 for Each Category)

2022 2021 Reference Year 2020 Index

Software and Licences South Africa



Disk Storage Middle East

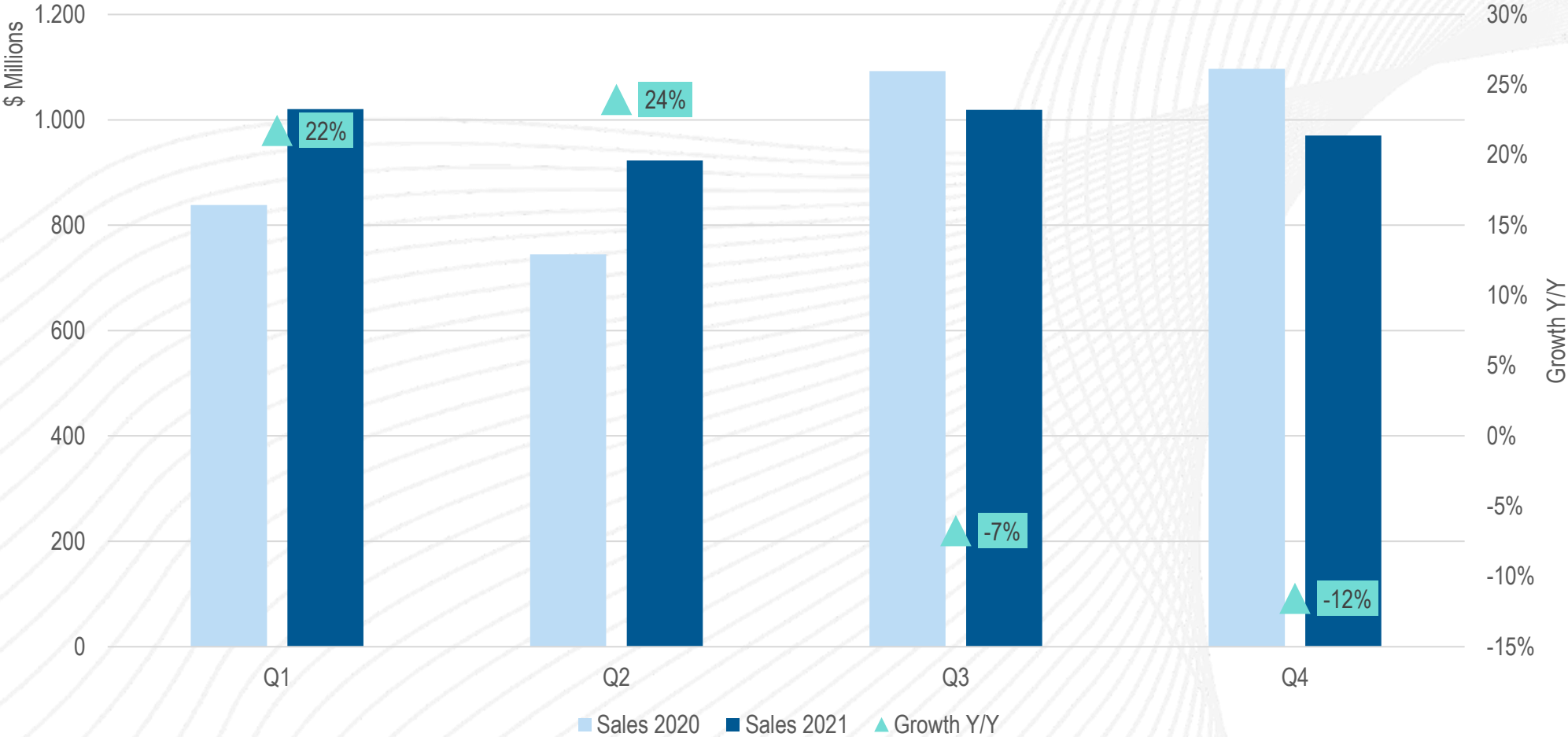


Distribution sales translated at daily \$ exchange rate.

TURKEY DISTRIBUTOR PANEL REVENUE 2020 AND 2021



Distribution Sales Quarterly Y/Y Performance 2020 and 2021

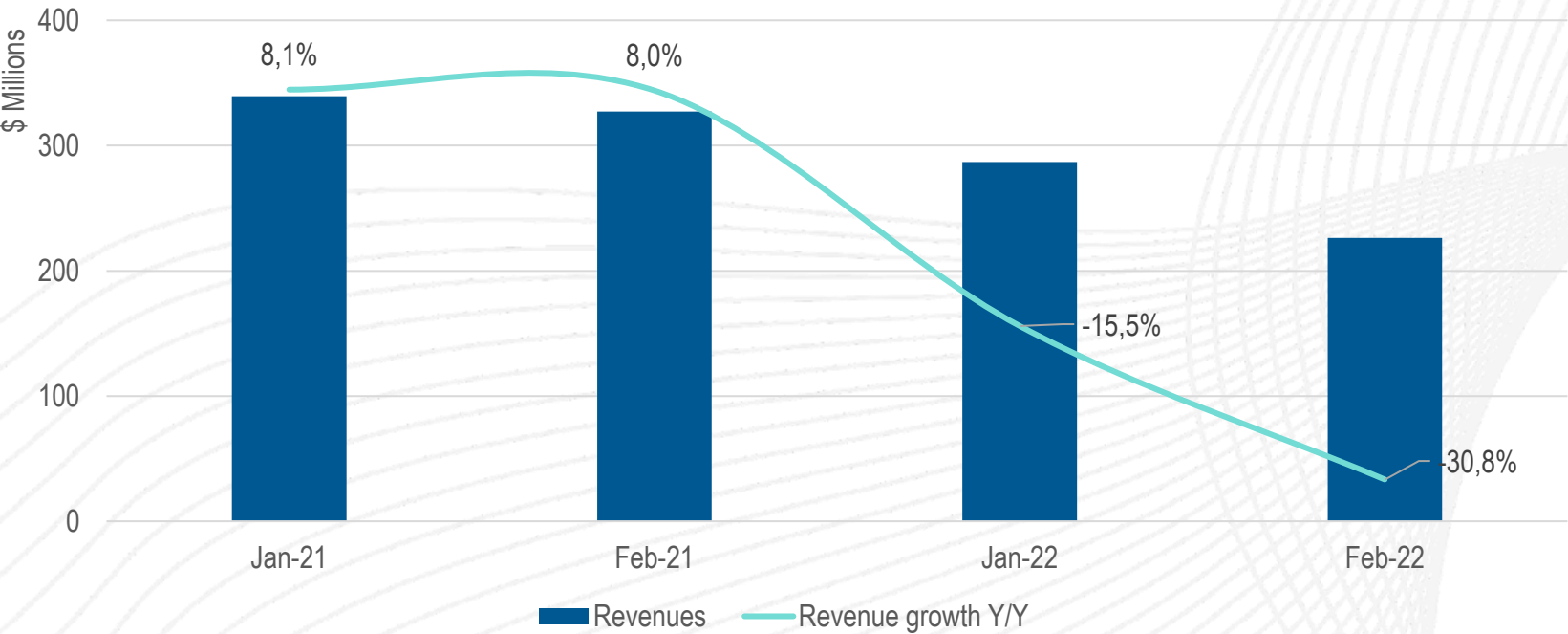


2020 Revenue \$3.7bn
2021 Revenue \$3.9bn
YoY **4.1%+ growth**

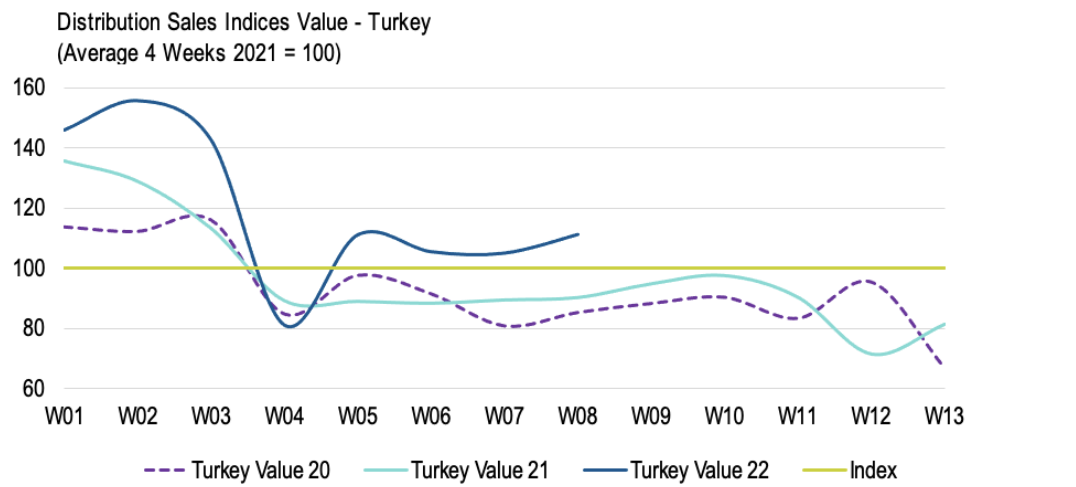
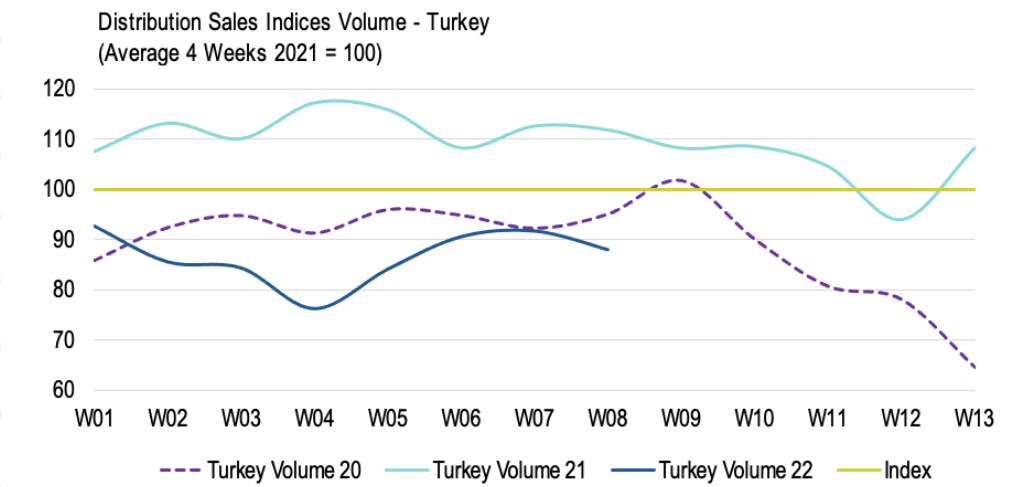
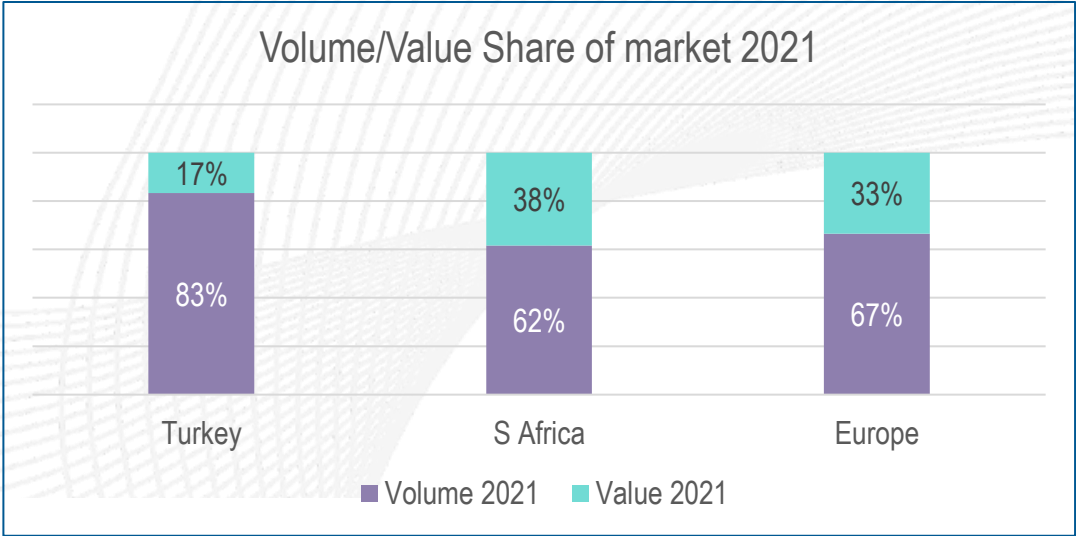
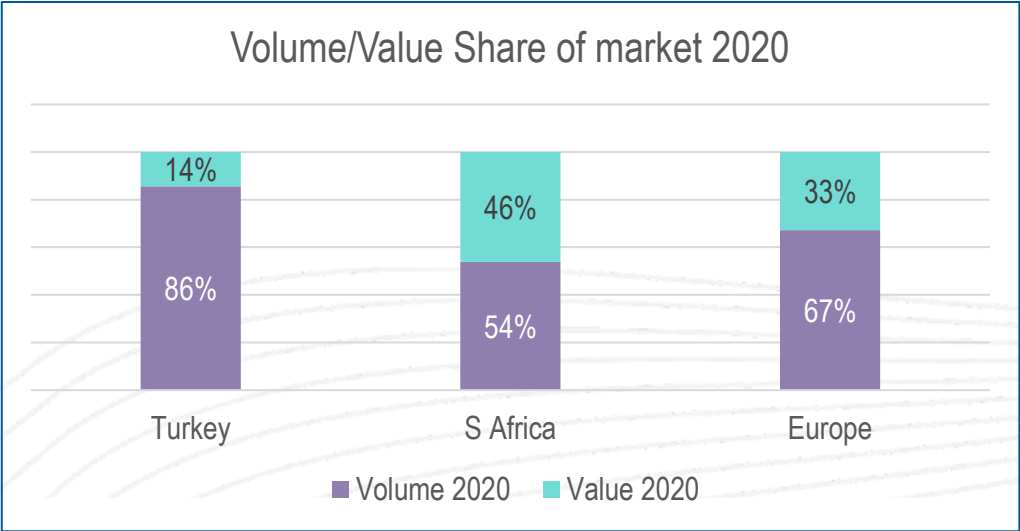
2022 JAN-FEB PERFORMANCE



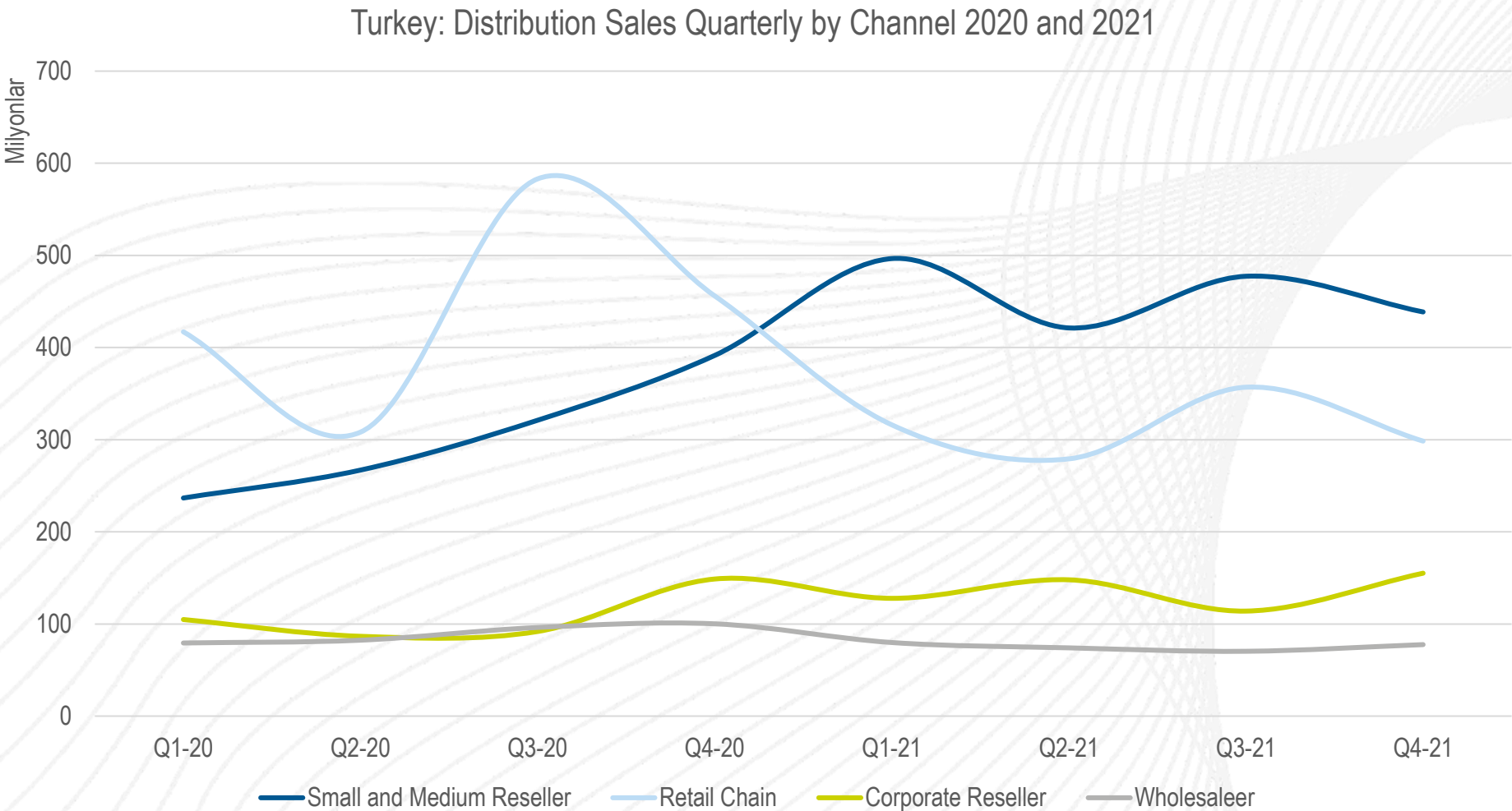
Turkey: Distribution Sales Monthly Jan/Feb 2020, 2021 & 2022



VOLUME VALUE SPLIT



SMALL & MEDIUM RESELLERS HAVE BECOME THE DOMINANT CHANNEL IN TURKEY





| **THANK YOU!**

OPTIMISE TODAY

ACCELERATE TOMORROW