

INDEX GROUP COMPANIES

ANALYST MEETING

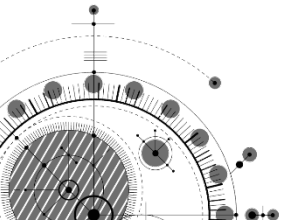
06 March 2018

Seba Office Boulevard, Istanbul

Disclaimer

This presentation contains information and analysis on financial statements as well as forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the information and analysis are correct and expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially.

Neither Index Computer nor any of its managers or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.



Agenda

01 World & Turkey
Technology Market and
Technologic Changes

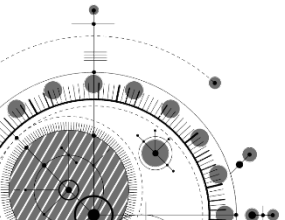
02 Index Group Companies
2017 Review

03 Index AŞ
Financial & Operational
Results

04 Datagate AŞ
Financial & Operational
Results

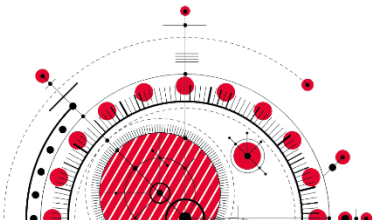
05 Index Group Companies
2018 Review

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Future Road Map



01

World & Turkey Technology Market and Technologic Changes



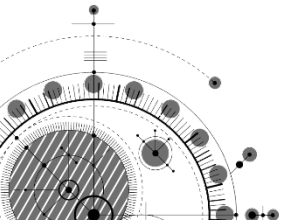
Atilla Kayalıođlu

Index Group
Executive Committee
Vice Chairman

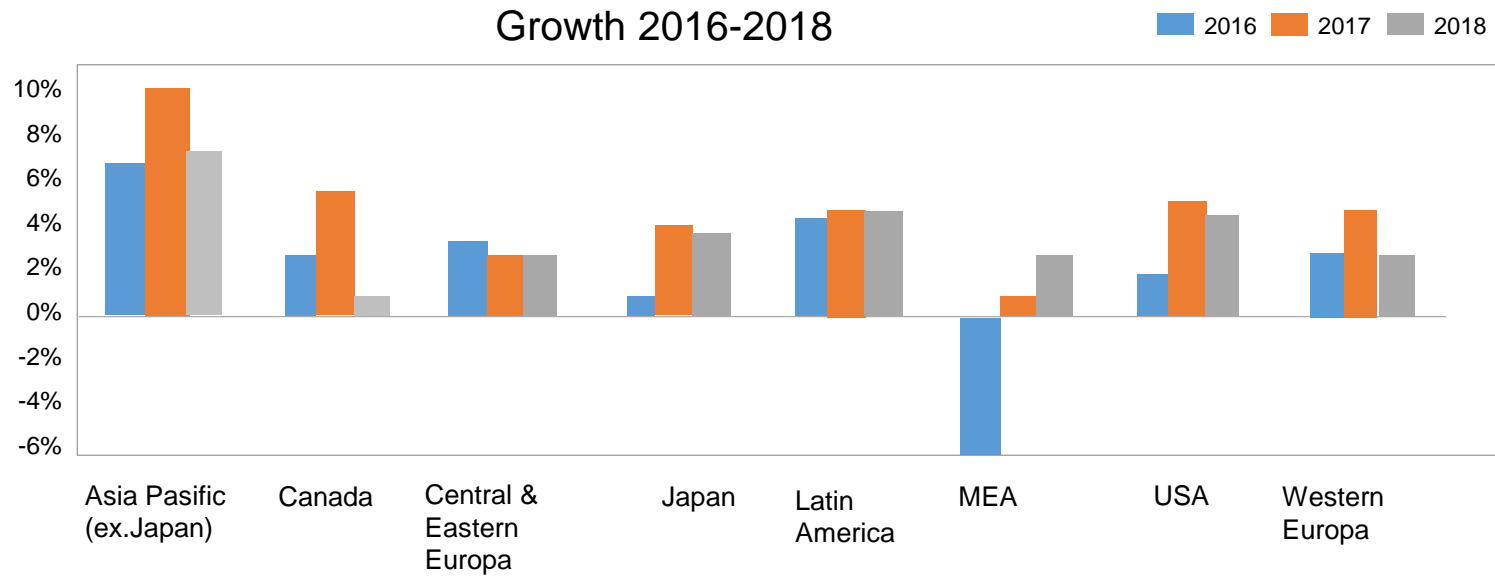
01

World & Turkey Technology Market and Technologic Changes

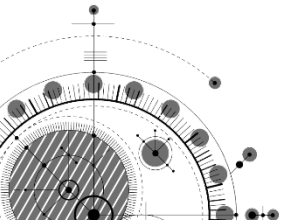
World IT Market



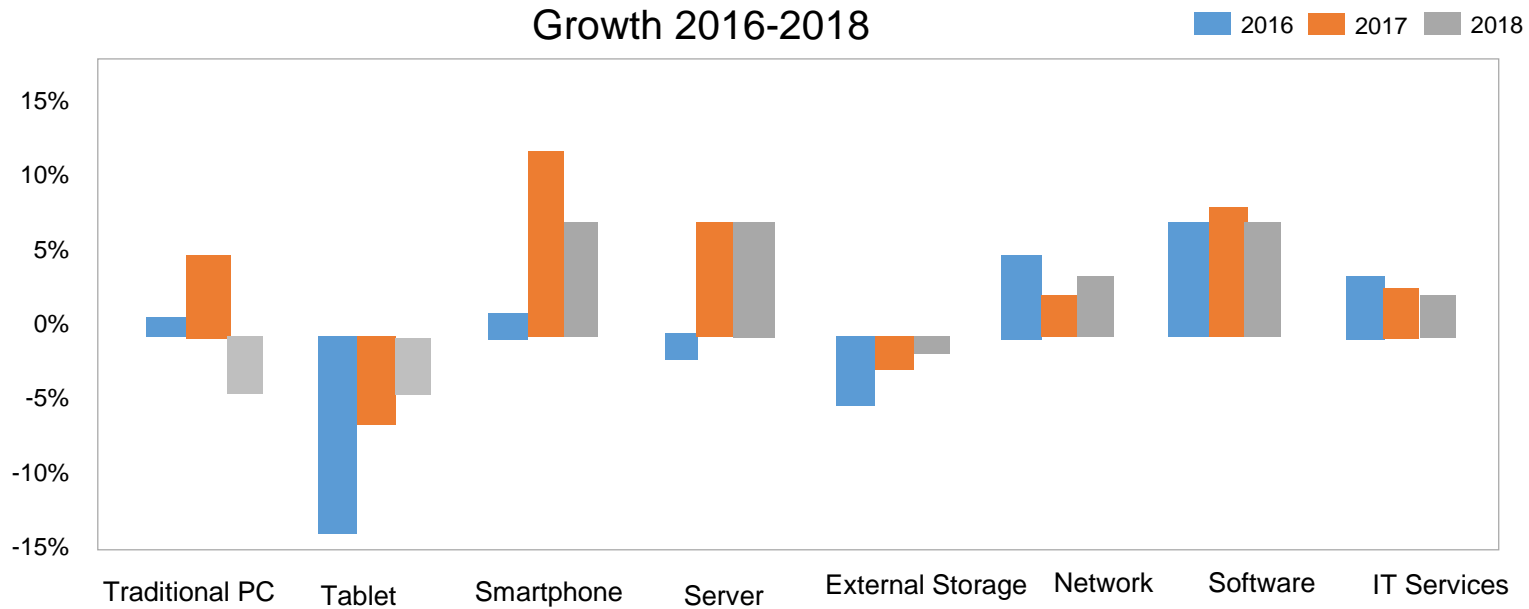
World IT Expenditures Growth – Main Regions



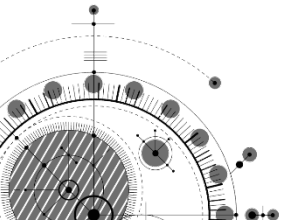
Source: IDC Predictions 2018



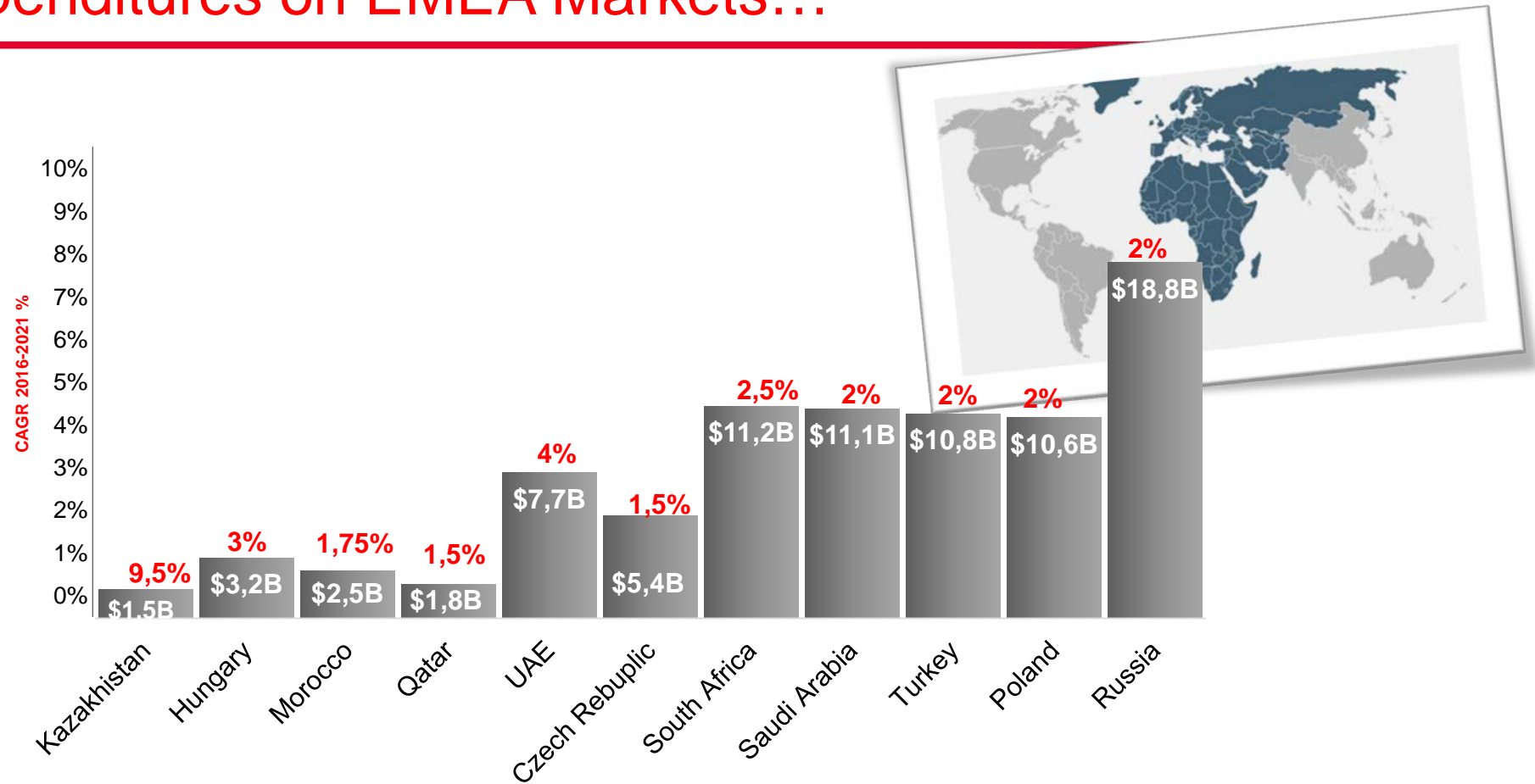
World IT Expenditures Growth – Technology Groups



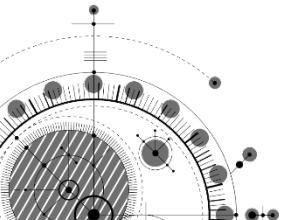
Source IDC Predictions 2018



IT Expenditures on EMEA Markets...



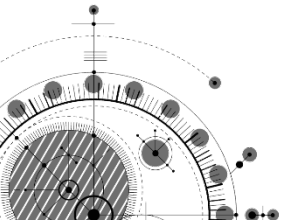
Source: IDC CEMA Blackbook Q2 2017



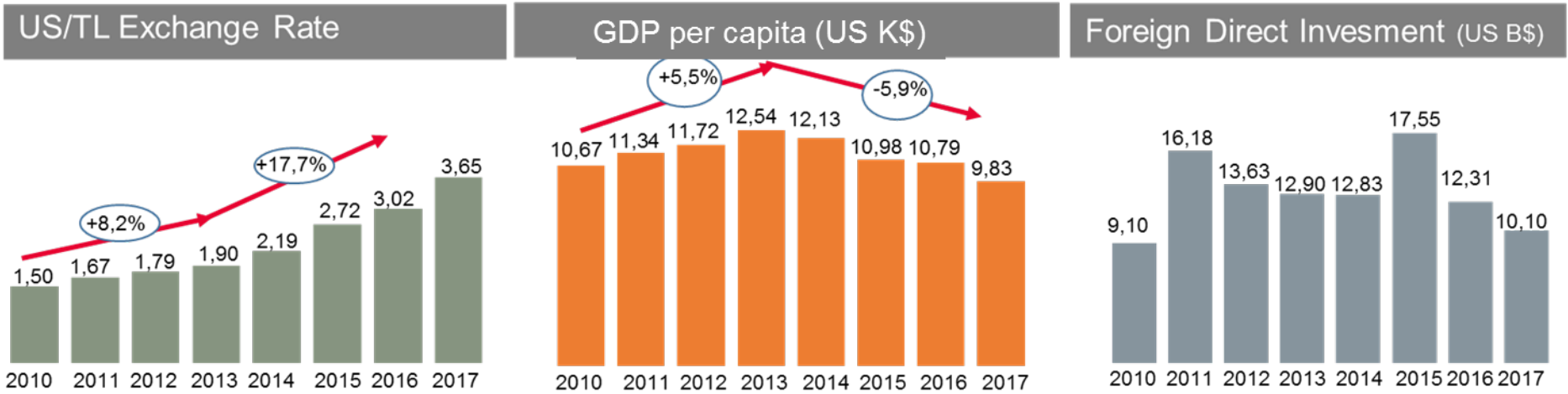
01

World & Turkey Technology Market and Technologic Changes

Turkey Market Dynamics

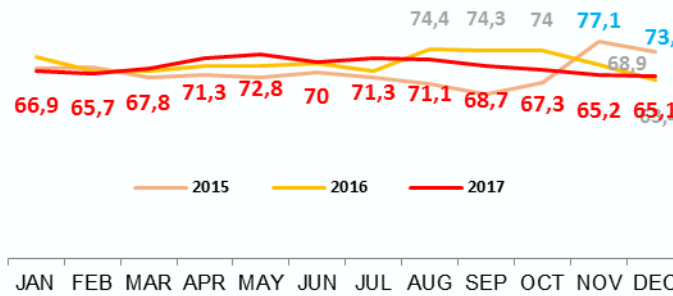


Turkey Data



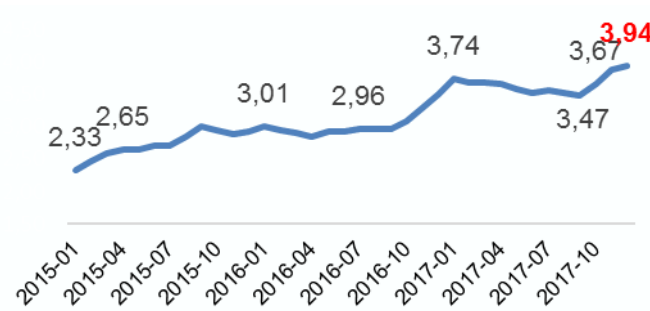
Kaynak: Economist Int. Unit, World Bank

Consumer Confidence Index

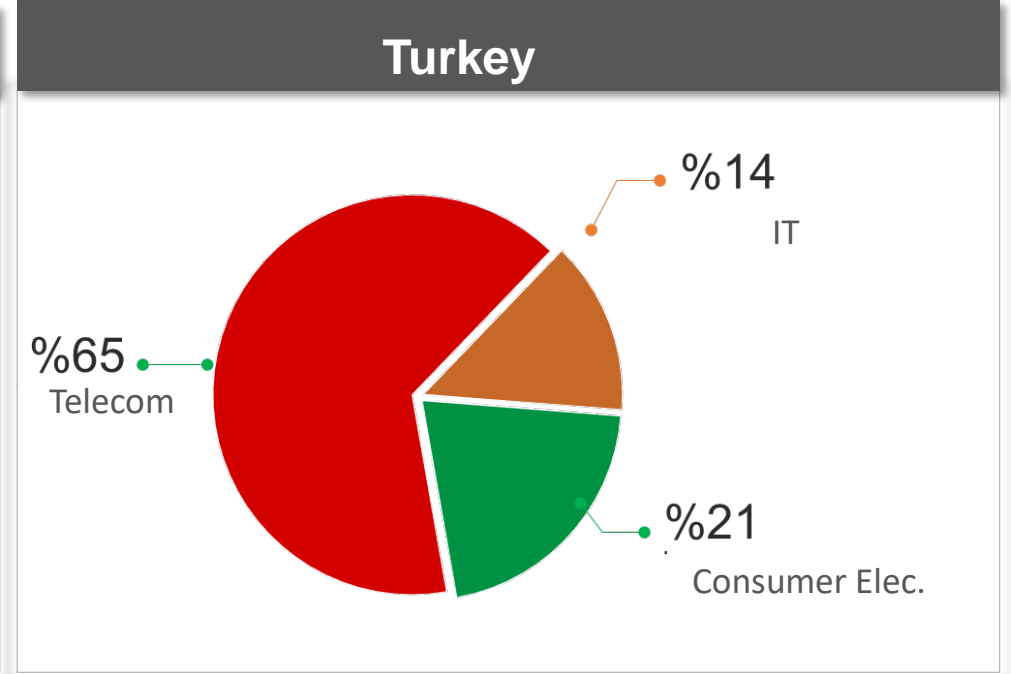
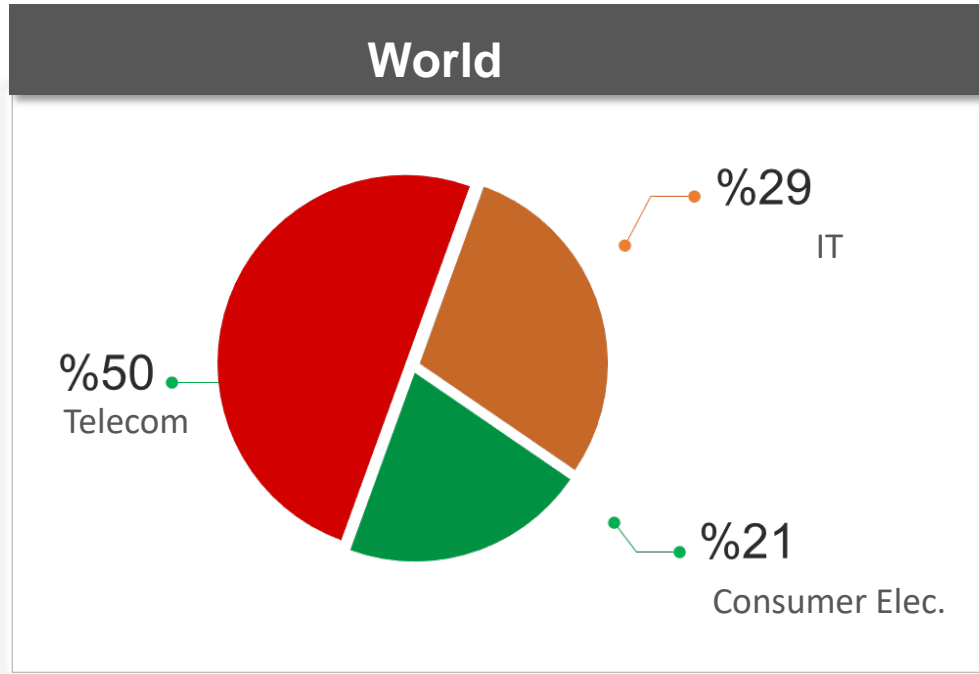


Source:TUIK

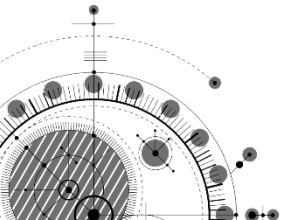
Index USD/TL %



Technology Market



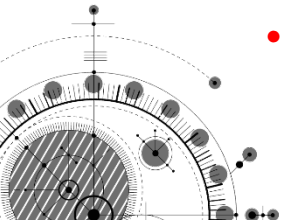
Source: GFK Butique Digital World






Turkish IT/ICT Market

IT Sector Segments (x m \$)	2017	%	2018 F	%	Growth%
PC	1.848 \$	8%	1.724 \$	8%	-7%
Printers & Peripherals	444 \$	2%	448 \$	2%	1%
IT Infrastructure	1.082 \$	5%	1.107 \$	5%	2%
Hardware	3.374 \$	15%	3.279 \$	15%	-3%
Software	991 \$	4%	1.042 \$	5%	5%
IT Services	1.531 \$	7%	1.628 \$	7%	6%
Services & Software Total	2.522 \$	11%	2.670 \$	12%	6%
Total IT	5.896 \$	26%	5.949 \$	26%	1%
Mobile (SP)	4.984 \$	22%	4.820 \$	21%	-3%
Total (IT+SP)	10.880 \$	49%	10.769 \$	48%	-1%
Telecom Services	11.401 \$	51%	11.748 \$	52%	3%
Total ICT (mio USD)	22.281 \$		22.517 \$		1%

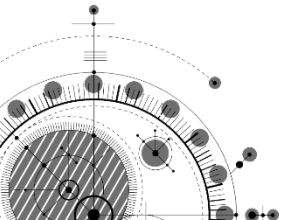
- Mobile PC and Tablet is the reason for slowdown..



ICT Market Segments

	 Turkey	 Poland	 Russia
Market Volume	\$22,5B	\$17,0B	\$37,0B
Hardware	36%	31%	30%
Software	5%	11%	8%
IT Services	7%	21%	13%
Telecom Services	52%	37%	49%

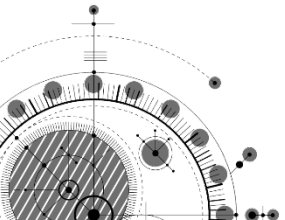
Source: IDC 2018



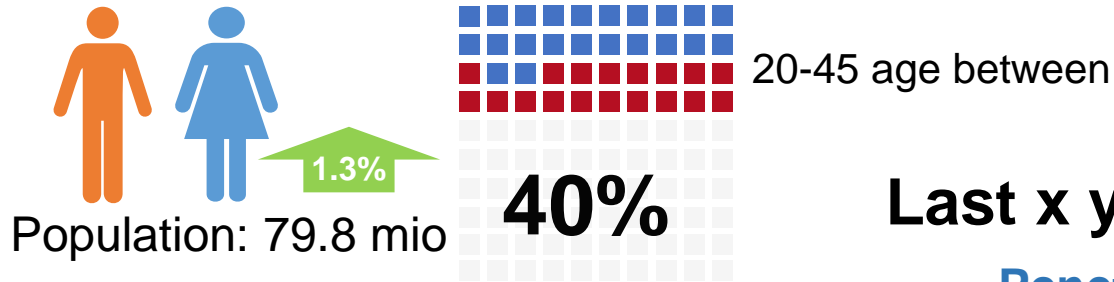
01

World & Turkey Technology Market and Technologic Changes

Turkey Consumer Electronic Market Dynamics

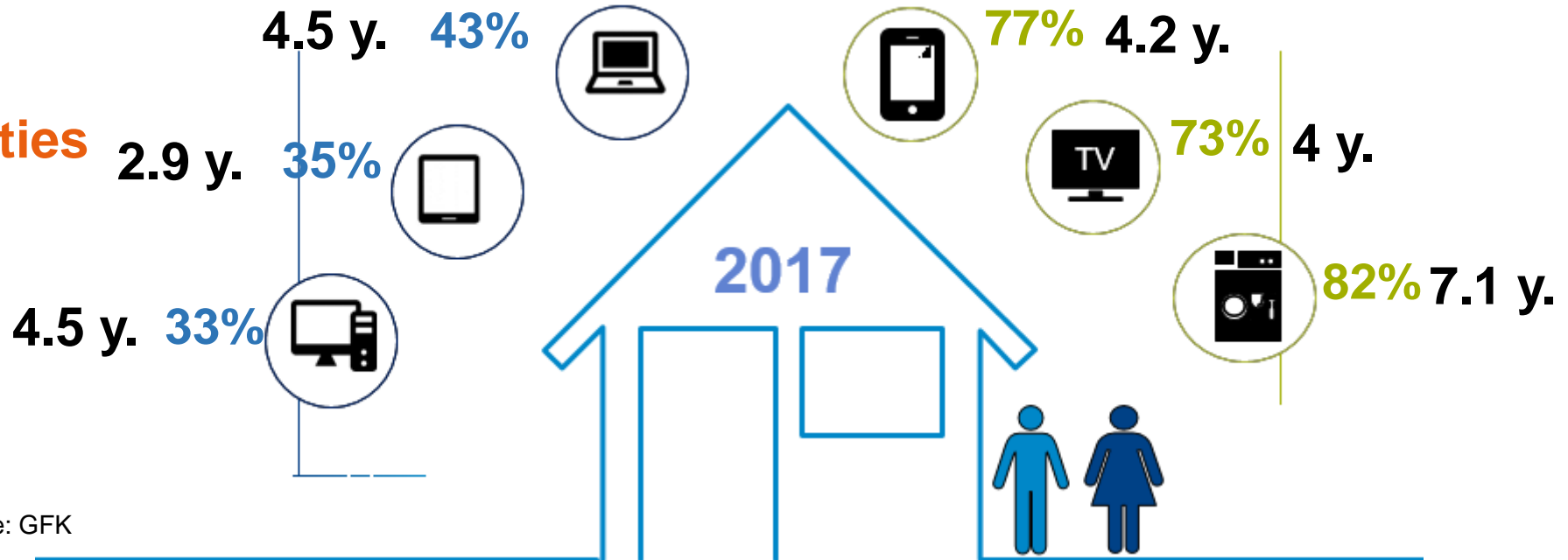


Turkish Population Structure & Technology



Last x year I am using... Penetration in Houses %

Renewal Opportunities



Source: GFK

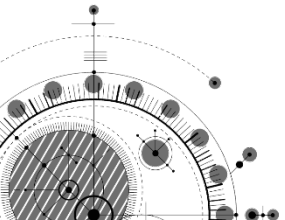
Primary Sectors on Digital Transformation

Sectors

- Finance / Banking
- Telecommunication
- Production
- Retail/ Wholesale
- Government
- Health

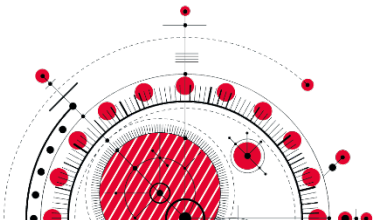
Technologies

- Cloud
- Security
- Large Data / Analytics
- IoT
- Robotics



02

Index Group Companies 2017 Review



Atilla Kayalıođlu

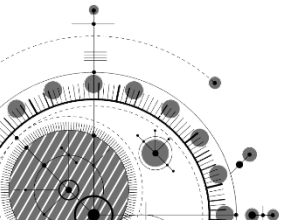
Index Group
Executive Committee
Vice Chairman

Index Group Companies and Subsidiaries

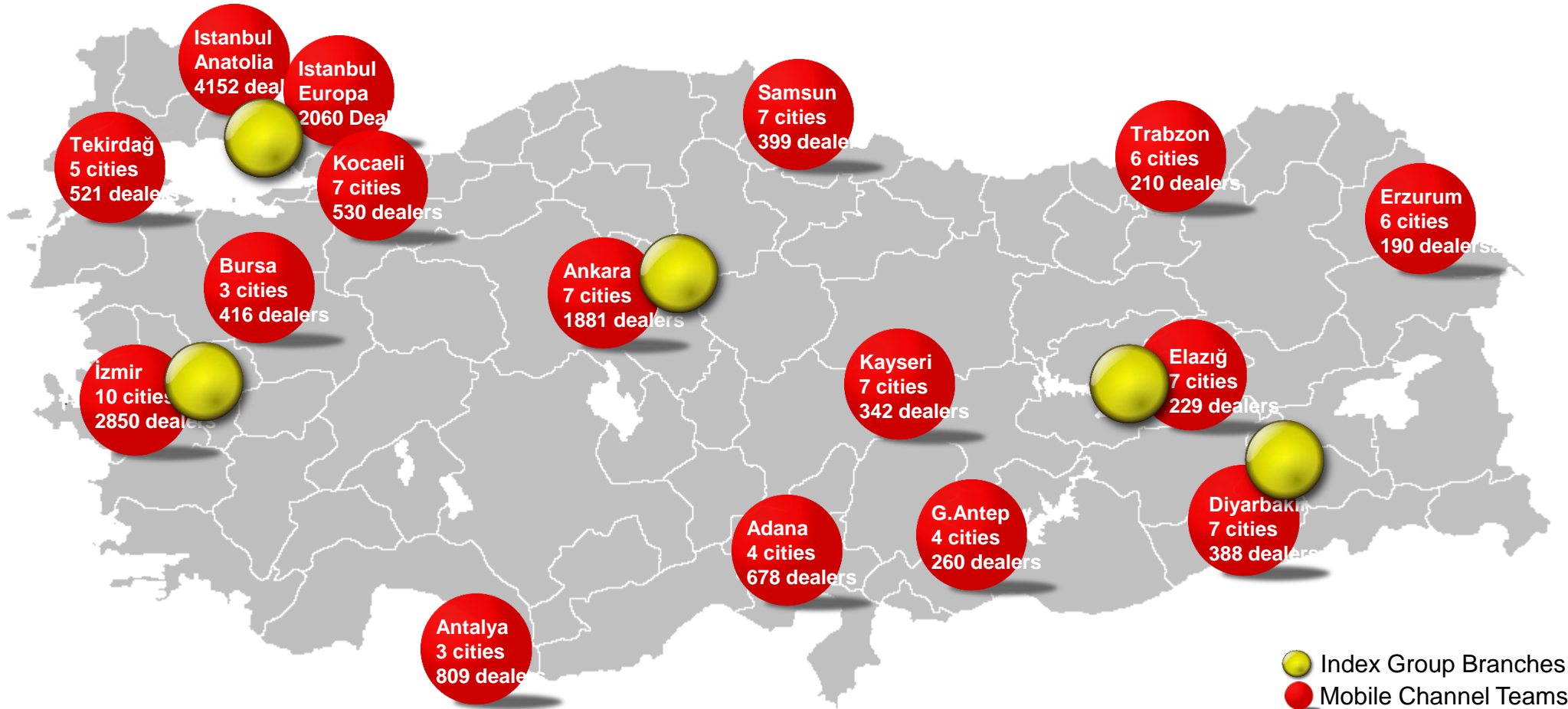
Company Name	Business Model	%	Free Float %	Company Mcap (TL) *
Index A.Ş. *	Broadliner Dist.	100	42,43	904.400.000
Datagate A.Ş. **	Telco Dist.	59	34,24	460.500.000
Despec A.Ş. ***	Consumables Dist.	-	42,70	82.570.000
Neteks A.Ş. ****	Network Products Dist.	50	-	-
Artım A.Ş.	Vaule Added Dist.	100	-	-
Teklos A.Ş.	IT Logistic and Service	100	-	-

- * : Listed in BIST on 24.06.2004.
 ** : Listed in BIST on 09.06.2006.
 *** : Listed in BIST on 08.12.2010.
 **** : %50 of its shares Acquired by Westcon Group(5 May 2007)

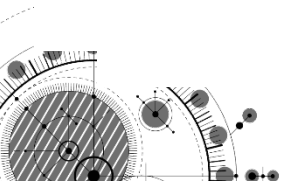
* Gathered from BIST as of 02.03.2018 / 18.00



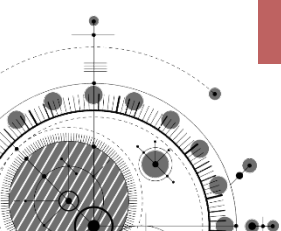
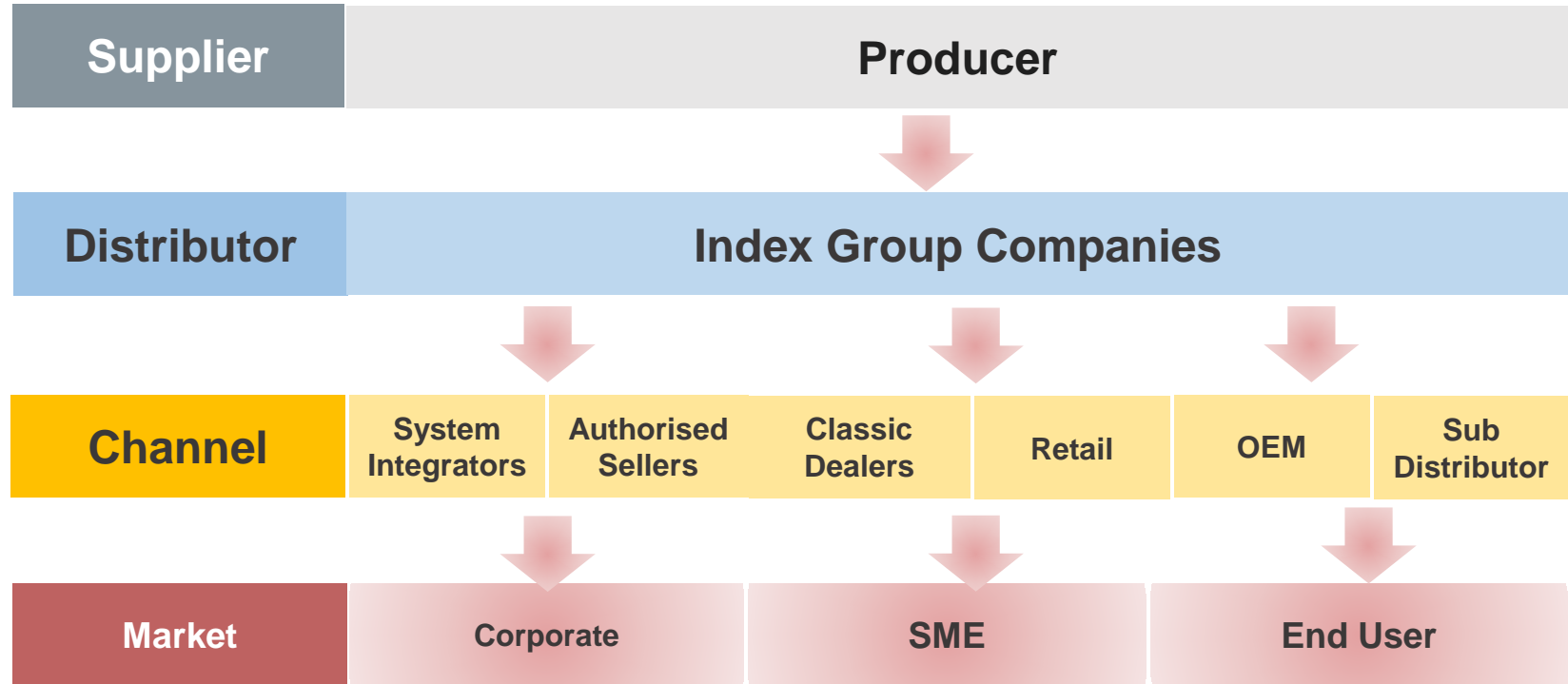
Our Regions



● Index Group Branches
● Mobile Channel Teams

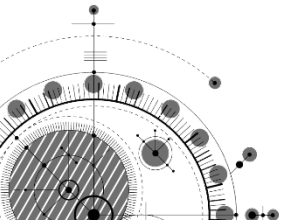
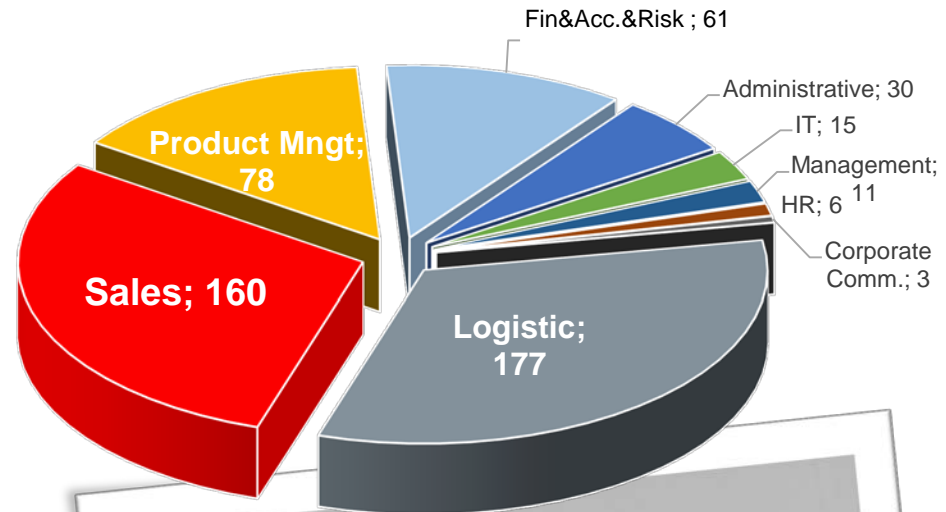


Business Model



Human Resource...

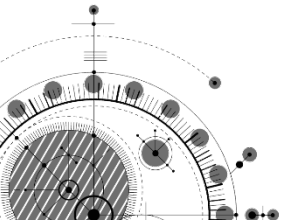
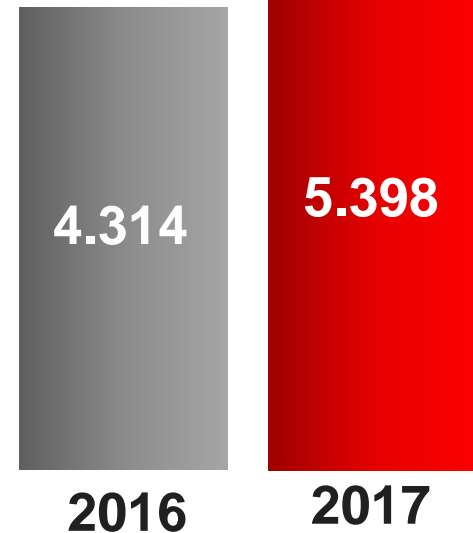
Department	# of Employees	Oran %
Logistic	177	33%
Sales	160	30%
Product Mngt.	78	14%
Fin&Acc.&Risk Mngt	61	11%
Administrative	30	6%
IT	15	3%
Management	11	2%
HR	6	1%
Corporate Comm.	3	1%
Total	541	100%



Group Companies 2016-2017 (TAX) Revenues (solo) (x m TL)

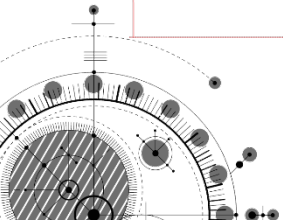
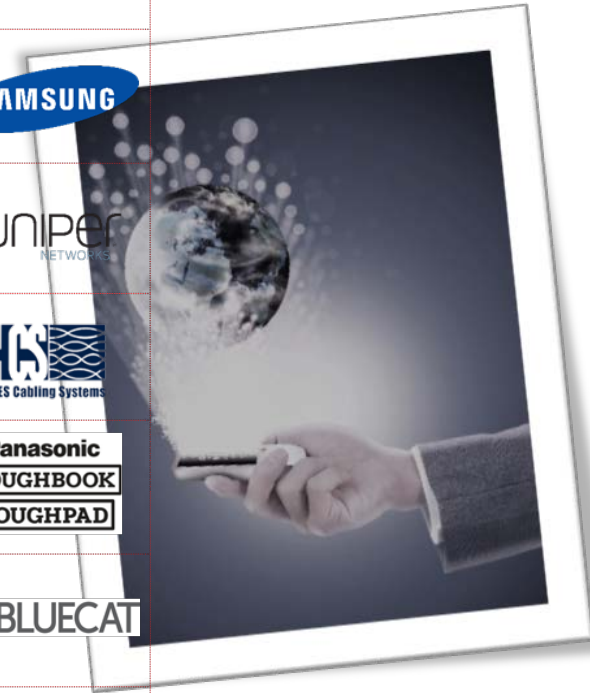
Companies	2016	2017	%
Index	2.444	2.778	14%
Datagate	1.237	1.630	32%
Despec	196	265	35%
Neteks	272	330	21%
Artım	141	366	160%
Teklos	24	29	21%
Total	4.314	5.398	25%

%25



Major Producers

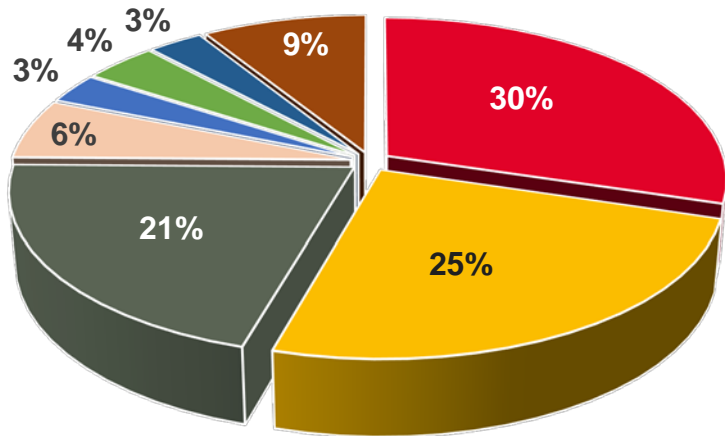


Index Group Companies 2016-2017

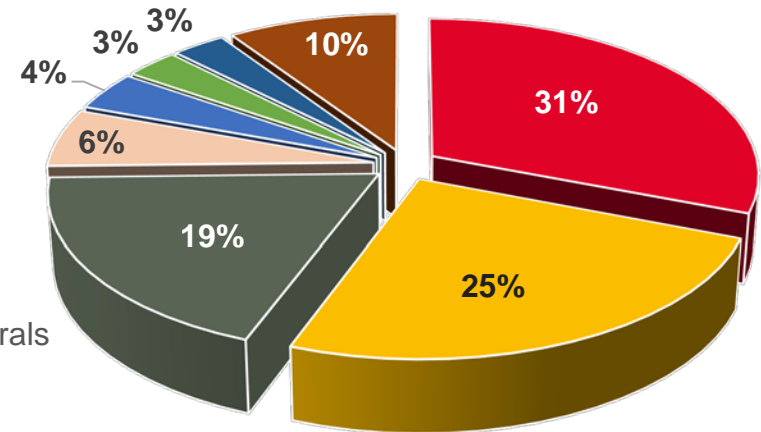
Sales on Main Product Groups

Years	Telecom	Smart Phone	PC	Network	Software	Printers & Peripherals	OEM	Other	Consumables	Tablet	Accessories	Consumer Electronics & White Goods	Data Storage	Wearable Technology	OT/VT
2016	30%	25%	21%	6%	3%	4%	3%	9%	3%	2%	1%	2%	1%	0%	1%
2017	31%	25%	19%	6%	4%	3%	3%	10%	2%	2%	1%	2,70%	1%	1%	1%

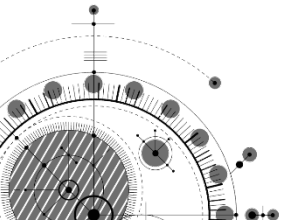
2016



2017



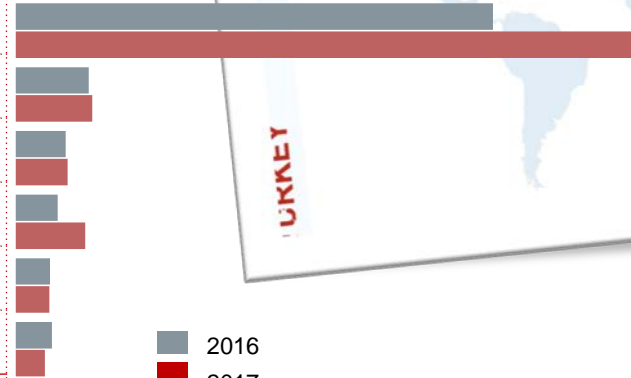
- Telecom
- Smart Phones
- PC
- Network
- Software
- Printers & Peripherals
- OEM
- Other



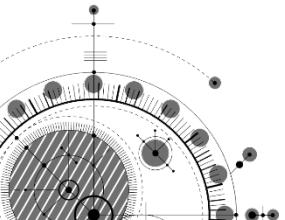
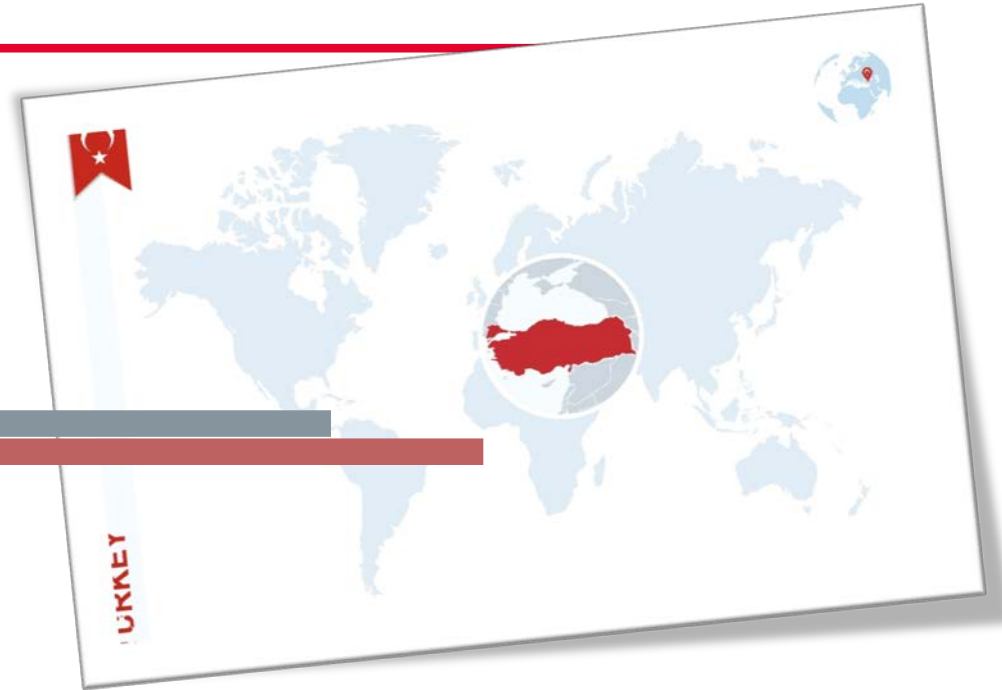
Index Group Companies 2016-2017

Sales on Producers' Origin

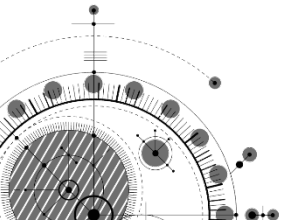
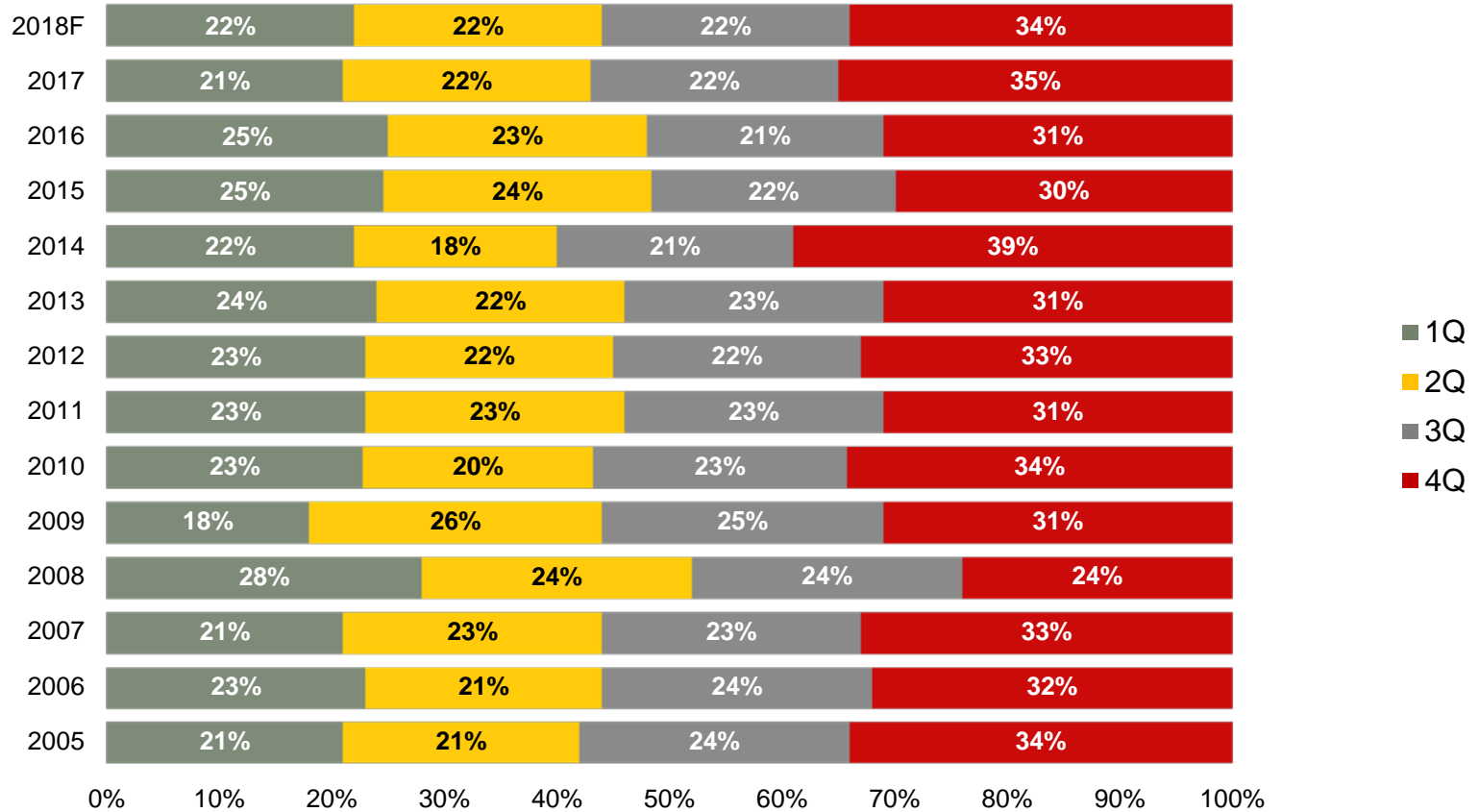
Country	2016 (%)	2017 (%)
USA	67%	71%
China	10%	9%
Japan	7%	6%
Korea	6%	8%
Taiwan	5%	4%
Turkey	5%	3%
Total	100%	100%



■ 2016
■ 2017

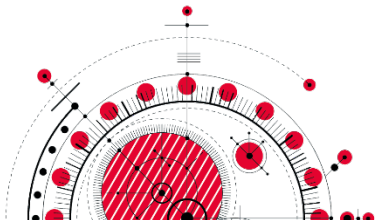


Seasonality



03

Index AŞ Financial & Operational Results

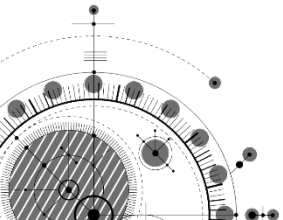


Halil Duman

Index Group
Board Member
CFO

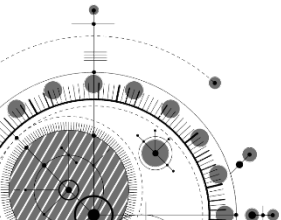
Revenue & Gross Profit (000 TL)

(000) TRL	2017	2016	Changes (%)
Indeks - Consolidated	4.719.625	3.793.603	24,41
Gross Profit	186.365	155.978	19,48
Gross Profitability (%)	3,95	4,11	(3,96)
Indeks - Solo	2.726.660	2.412.889	13,00
Datagate	1.582.968	1.214.421	30,35
Teklos	152.785	23.378	553,54
Artım	359.823	138.528	159,75



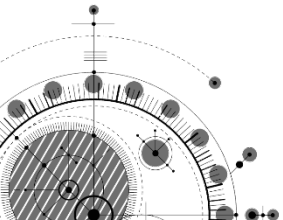
Summarized P/L (000 TL)

(000) TRL	2017	2016	Changes (%)
Net Sales	4.719.625	3.793.603	24,41
Gross Profit	186.365	155.978	19,48
Gross Profit Margin (%)	3,95	4,11	(3,96)
EBITDA	125.003	84.314	48,26
EBITDA Margin (%)	2,65	2,22	19,17
Operational Profit	122.125	81.415	50,00
Operational Profit Margin (%)	2,59	2,15	20,57
Financial Income /(Expenses), Net	(20.767)	(4.602)	351,26
Profit Before Tax	104.449	74.830	39,58
Profit Before Tax Margin (%)	2,21	1,97	12,19
Tax Expenses	(19.674)	(15.448)	27,36
Net Profit (Operational)	72.095	52.002	38,64
Net Profit Margin (%)	1,53	1,37	11,44
Net Profit (Real Estate)	83.412		
Total Net Profit	155.507	52.002	199,04
Total Net Profit Margin (%)	3,29	1,37	140,37

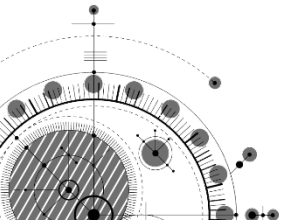
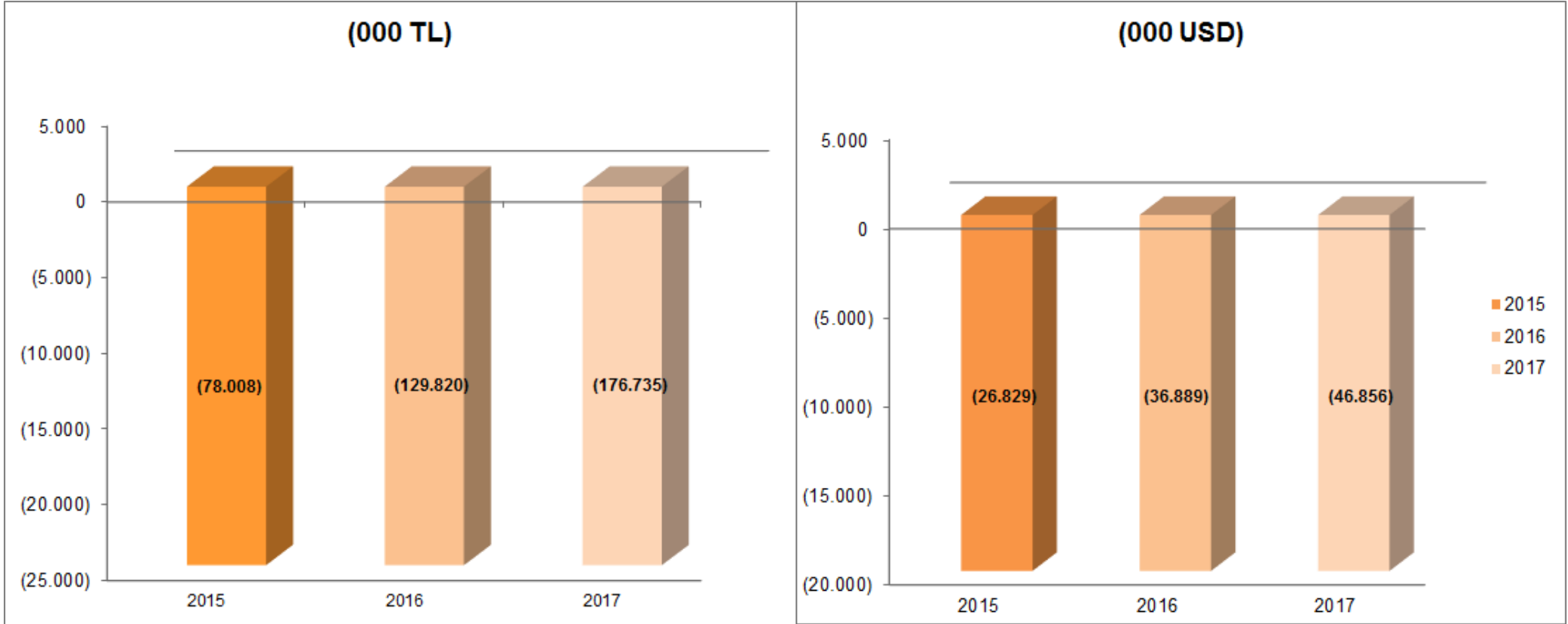


Summarized Balance Sheet (000 TL)

Assets	31.12.2017	(%)	31.12.2016	(%)	Changes (%)	Liabilities & Capital	31.12.2017	(%)	31.12.2016	(%)	Changes (%)
Current Assets	1.864.614	96%	1.357.650	95%	37,3	Short Term Lia.	1.560.274	81%	1.193.154	84%	30,8
Cash	284.176	15%	249.758	18%	13,8	Financial Lia.	140.012	7%	194.630	14%	(28,1)
Trade Receivables	1.099.471	57%	894.894	63%	22,9	Trade Payables	1.250.748	65%	792.735	56%	57,8
Inventories	392.933	20%	154.462	11%	154,4	Provisions for Tax	82.262	4%	145.816	10%	(43,6)
Inventories in Transit	37.641	2%	26.181	2%	43,8	Prov. for Other Pay.	26.187	1%	42.300	3%	(38,1)
Other	50.393	3%	32.355	2%	55,8	Other	61.065	3%	17.673	1%	245,5
Non-Current Assets	73.227	4%	65.009	5%	12,6	Long Term Lia.	21.101	1%	6.057	0%	248,4
Trade Receivables	16.902	1%	1.771	0%	854,4	Financial Lia.	16.933	5%	2.067	1%	719,2
Fixed Assets	21.214	1%	36.419	3%	(41,8)	Prov. for Empl. Trm. Ind.	4.148	1%	3.900	2%	6,4
Goodwill	8.772	0%	9.363	1%	(6,3)	Deferred Tax	20	0%	90	0%	(77,8)
Other	26.339	1%	17.456	1%	50,9	Capital	356.466	18%	223.448	16%	59,5
Total Assets	1.937.841	100%	1.422.659	100%	36,2	Total Lia. & Capital	1.937.841	100%	1.422.659	100%	36,2

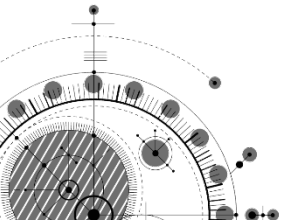


Net Financial Debt (000 TL & USD)



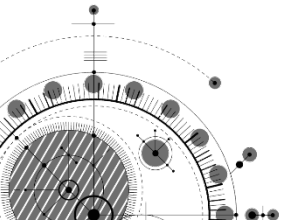
Working Capital (000 TL)

(000) TRL	31.12.2017	31.12.2016	Changes %	(000) TRL	31.12.2017	31.12.2016	Changes %
Short T. Trade Receivables	1.099.471	894.894	22,9	Short T. Trade Payables	1.250.748	792.735	57,8
Inventories	430.574	180.643	138,4	Short T. Financial Debts	140.012	194.630	(28,1)
Cash & Cash Equivalents	284.176	249.758	13,8	Other Debts	169.514	205.789	(17,6)
Other Receivables	50.393	32.355	55,8	Total Short T. Liabilities	1.560.274	1.193.154	30,8
Total Current Assets	1.864.614	1.357.650	37,3	Net Working Capital	304.340	164.496	85,0



Cash Flow (000 TL)

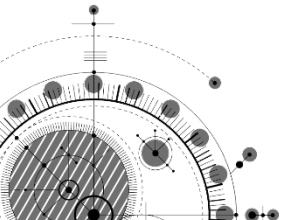
(000) TRL	31.12.2017	31.12.2016
Beginning of Term Balance	249.740	136.753
Activity of Net Cash Flow	130.987	295.593
Investment Activities	(2.248)	(1.933)
Changes in Cash	128.739	293.660
Changes in Financial Debts	(94.481)	(180.673)
End of Term Balance	283.999	249.740



Financial Ratios

LIQUIDITY RATIOS	31.12.2017	31.12.2016
Current Ratio	1,20	1,14
Quick Ratio	0,92	0,99
THE WORKING CAPITAL RATIOS (*)	31.12.2017	31.12.2016
Receivables Days	60	58
Payables Days	67	62
Inventory Days	19	18
FINANCIAL STRUCTURE RATIOS	31.12.2017	31.12.2016
Capital / Total Liabilities & Capital	18%	16%
Short T. Debts / Total Liabilities & Capital	81%	84%
Long T. Debts / Total Liabilities & Capital	1%	0%
Financial Debts / Total Debts	10%	16%
PROFITABILITY RATIOS	31.12.2017	31.12.2016
Gross Profit Margin	3,95%	4,11%
Operational Profit Margin	2,59%	2,15%
Net Profit / Sales	3,29%	1,37%
Profit Margin Before Tax	4,48%	1,97%

(*) Quarterly prepared financial sheets were taken into consideration for calculations.



Real Estate Project / Seba Office Boulevard

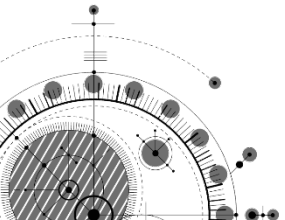
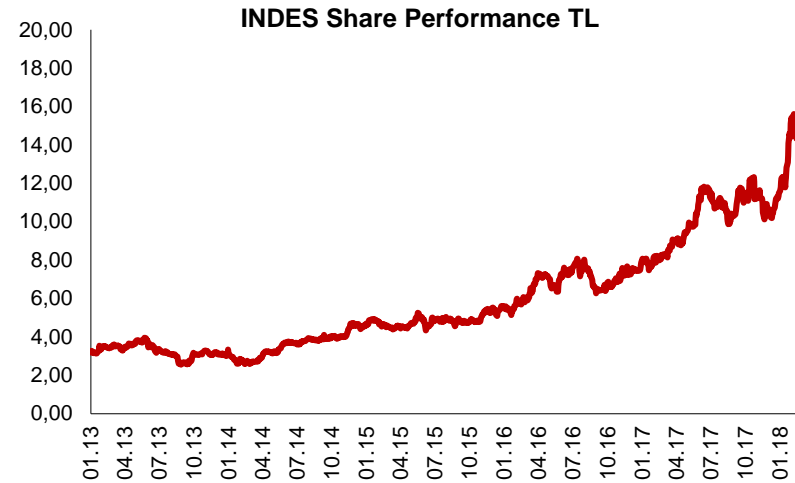


Explanation (000) TL	2017
Rev. Sharing Model Real Estate Sales	123.944
Cost	17.026
Gross Profit	106.918
Tax	23.506
Net Profit	83.412

Dividend Pay Out

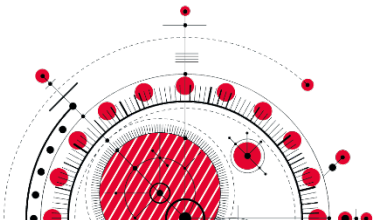
Indeks High Dividend Pay Out

Year	Cons. Profit TL	Gross Div. TL	DPS(Gross) TL	Pay Out
2012	16.646.294	16.890.775	0,29	101%
2013	5.188.455	3.126.256	0,05	60%
2014	25.173.457	21.239.126	0,37	84%
2015	44.920.203	35.000.000	0,60	78%
2016	52.002.244	31.792.728	0,55	61%
Total	143.930.653	108.048.885		75%



04

Datagate AŞ Financial & Operational Results

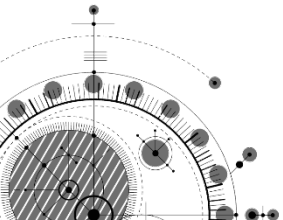


Halil Duman

Index Group
Board Member
CFO

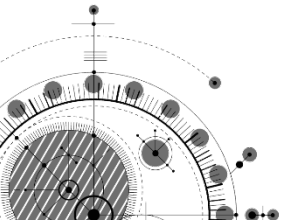
Income Statement (000 TL)

(000) TRL	2017	2016	Changes (%)
Net Sales	1.582.968	1.214.421	30,35
Gross Profit	50.687	34.605	46,47
Gross Profit Margin (%)	3,20	2,85	12,37
EBITDA	34.813	19.805	75,78
EBITDA Margin (%)	2,20	1,63	34,85
Operational Profit	34.636	19.655	76,22
Operational Profit Margin (%)	2,19	1,62	35,19
Financial Income /(Expenses), Net	2.160	2.957	(26,95)
Tax Expenses	(5.754)	(4.534)	26,91
Net Profit	31.042	18.078	71,71
Net Profit Margin (%)	1,96	1,49	31,73

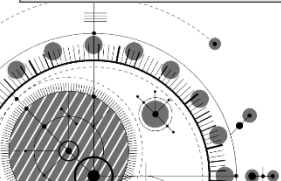
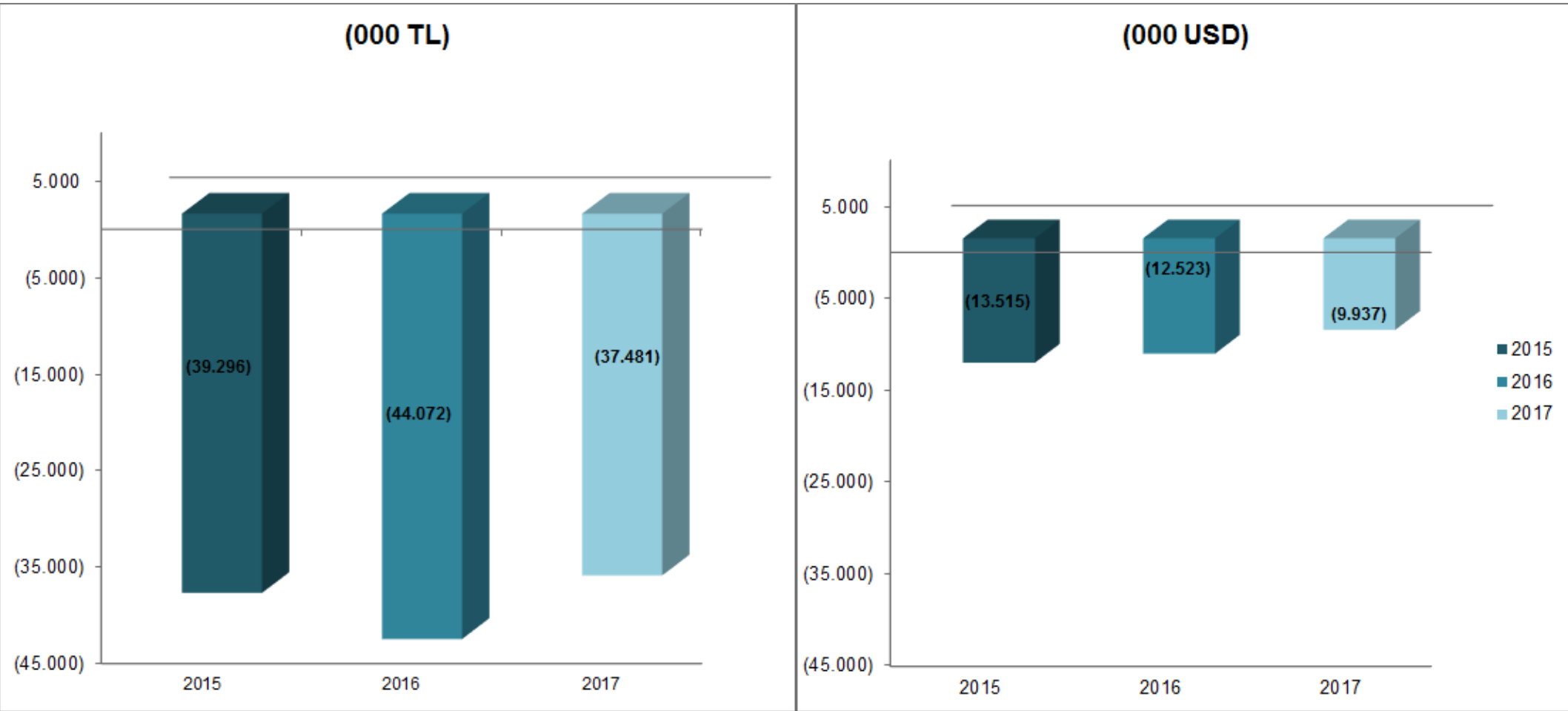


Balance Sheet (000 TL)

Assets	31.12.2017	(%)	31.12.2016	(%)	Changes (%)	Liabilities & Capital	31.12.2017	(%)	31.12.2016	(%)	Changes (%)
Current Assets	387.221	91%	293.822	96%	31,8	Short Term Lia.	311.473	73%	231.261	75%	34,7
Cash	37.480	9%	44.072	14%	(15,0)	Financial Lia.	32.601	8%	74.989	24%	(56,5)
Trade Receivables	267.019	63%	215.148	70%	24,1	Trade Payables	249.550	59%	139.521	45%	78,9
Inventories	36.189	9%	30.371	10%	19,2	Provisions for Tax	3.450	1%	3.331	1%	3,6
Inventories in Transit	44.648	11%	1.111	0%	3.918,7	Prov. for Other Pay.	19.939	5%	7.436	2%	168,1
Other	1.885	0%	3.120	1%	(39,6)	Other	5.933	1%	5.985	2%	(0,9)
Non-Current Assets	36.583	9%	13.565	4%	169,7	Long Term Lia.	16.970	4%	1.818	1%	833,3
Fixed Assets	16.902	4%	1.771	1%	854,4	Financial Lia.	16.902	4%	1.771	1%	854,4
Goodwill	189	0%	178	0%	0,0	Prov. for Empl. Trm. Ind.	68	0%	47	0%	43,7
Other	19.492	5%	11.616	4%	67,8	Capital	95.361	23%	74.307	24%	28,3
Total Assets	423.804	100%	307.387	100%	37,9	Total Lia. & Capital	423.804	100%	307.387	100%	37,9

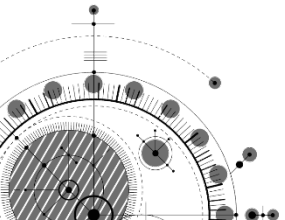


Net Financial Debt (000 TL & USD)



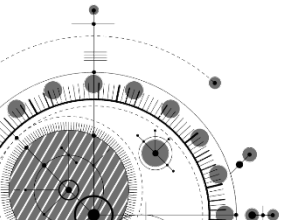
Working Capital (000 TL)

(000) TRL	31.12.2017	31.12.2016	Changes %	(000) TRL	31.12.2017	31.12.2016	Changes %
Short T. Trade Receivables	267.019	215.148	24,1	Short T. Trade Payables	249.550	139.521	78,9
Inventories	80.837	31.482	156,8	Short T. Financial Debts	32.601	74.989	0,0
Cash & Cash Equivalents	37.480	44.072	(15,0)	Other Debts	29.322	16.752	75,0
Other Receivables	1.885	3.120	(39,6)	Total Short T. Liabilities	311.473	231.261	34,7
Total Current Assets	387.221	293.822	31,8	Net Working Capital	75.748	62.561	21,1



Cash Flow (000 TL)

(000) TRL	31.12.2017	31.12.2016
Beginning of Term Balance	44.060	39.289
Activity of Net Cash Flow	32.018	198.755
Investment Activities	(211)	(490)
Changes in Cash	31.807	198.265
Changes in Financial Debts	(38.412)	(193.494)
End of Term Balance	37.455	44.060



Financial Ratios

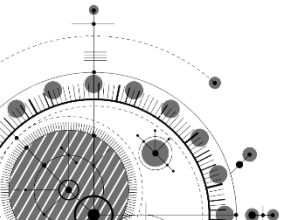
LIQUIDITY RATIOS	31.12.2017	31.12.2016
Current Ratio	1,24	1,27
Quick Ratio	0,98	1,13

THE WORKING CAPITAL RATIOS (*)	31.12.2017	31.12.2016
Receivables Days	39	21
Payables Days	44	29
Inventory Days	12	11

FINANCIAL STRUCTURE RATIOS	31.12.2017	31.12.2016
Capital / Total Liabilities & Capital	22,5%	24,2%
Short T. Debts / Total Liabilities & Capital	73,5%	75,2%
Long T. Debts / Total Liabilities & Capital	4,0%	0,6%
Financial Debts / Total Debts	15,1%	32,9%

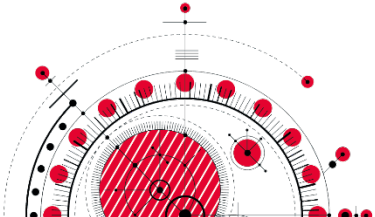
PROFITABILITY RATIOS	31.12.2017	31.12.2016
Gross Profit Margin	3,2%	2,8%
Operational Profit Margin	2,2%	1,6%
Net Profit / Sales	2,0%	1,5%
Profit Margin Before Tax	2,3%	1,9%

(*) Quarterly prepared financial sheets were taken into consideration for calculations.



05

Index Group Companies 2018 Review



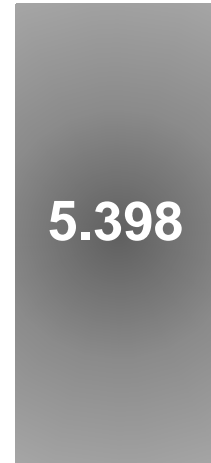
Salih Bař

Datagate A.ř.
General Manager

Group Companies 2018 (TAX) Revenue Targets (solo) (x m TL)

Companies	2017	2018F	%
Index	2.778	3.296	18,6%
Datagate	1.630	1.896	16,3%
Despec	265	285	7,5%
Neteks	330	402	21,8%
Artım	366	444	21,3%
Teklos	29	35	20,7%
Total	5.398	6.358	18%

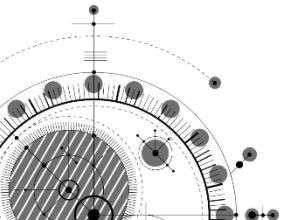
%18



2017



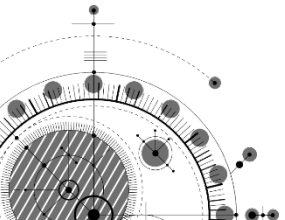
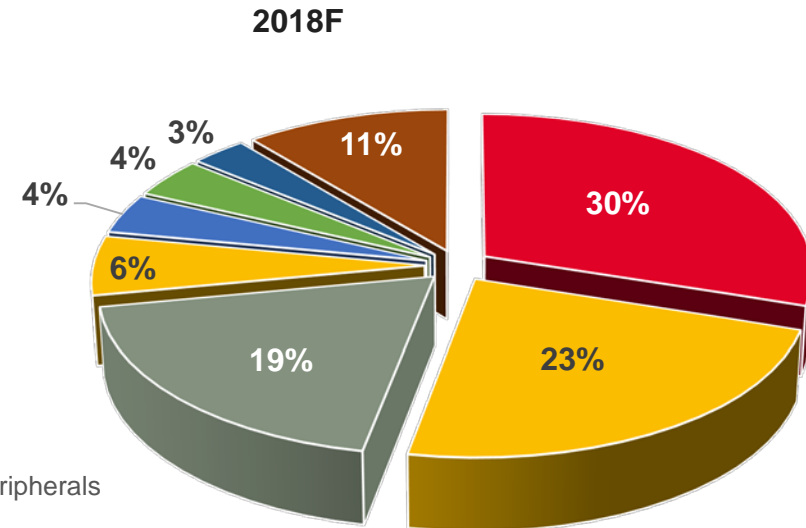
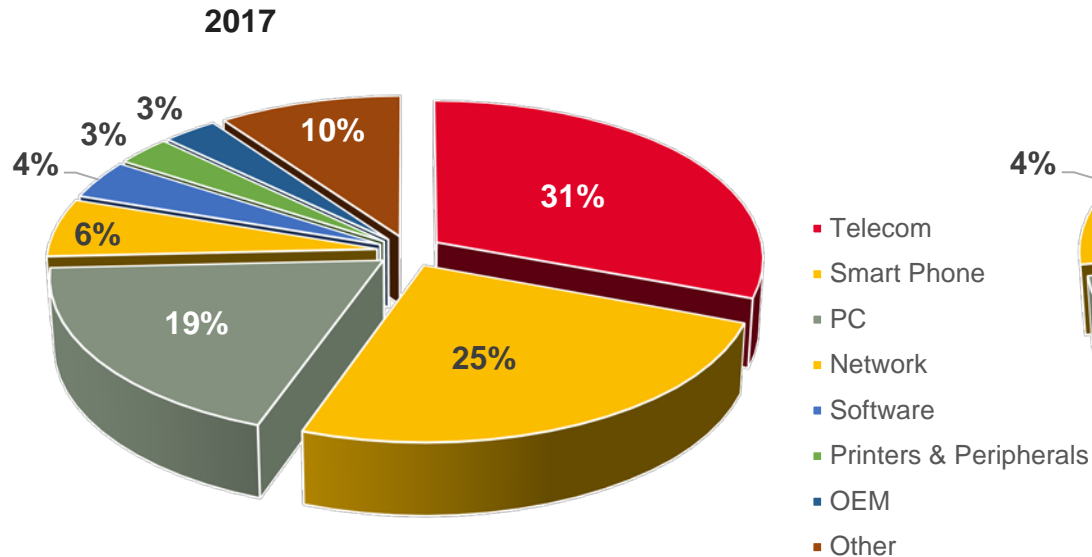
2018F



Index Group Companies 2017-2018

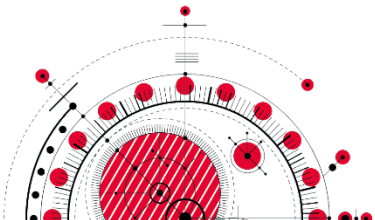
Sales on Main Product Groups

Years	Telecom	Smart Phones	PC	Network	Software	Printers & Peripherals	OEM	Other	Consumables	Consumer Elec. & White Goods	Tablet	Accessories	Data Storage	OT/VT	Wearable Tech.
2017	31%	25%	19%	6%	4%	3%	3%	10%	2%	2,70%	2%	1%	0,7%	0,5%	0,6%
2018T	30%	23%	19%	6%	4%	4%	3%	11%	2%	4%	2%	1%	0,7%	0,7%	0,6%



06

Index Group Companies Future Road Map



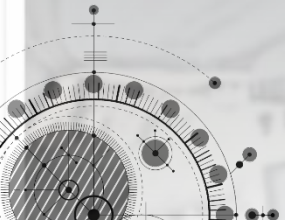
Salih Bař

Datagate A.ř.
General Manager

Index / Life started in Real Estate Project!



Happy End 😊



Changing Technology Re-shaped Go To Market Model!

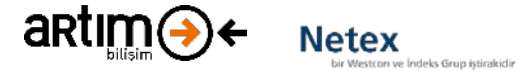
Specialised,
growing , having
serious targets,
Leader Technology
Group



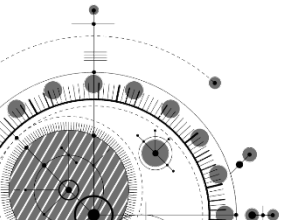
Volume
(Sizable Products Dist.)



Value Add
(Value Added Dist.)



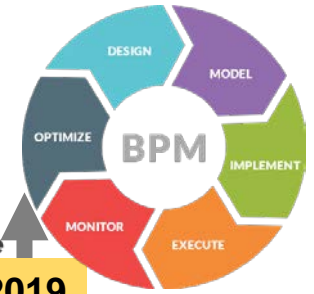
Mobile
(Mobile Products Dist.)



Digital Transformation

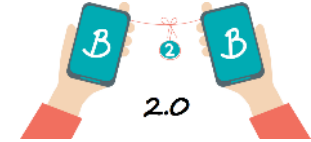


Cloud Marketplace



2019

masraff



2018

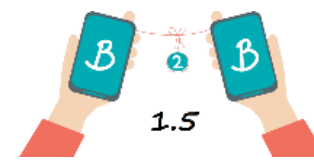


2018



e-tahsilat

2017



EMAIL MARKETING

CALL CENTER

icecat
the open catalog

2017

İSTE HAYAT



DIGITAL LAW

2017

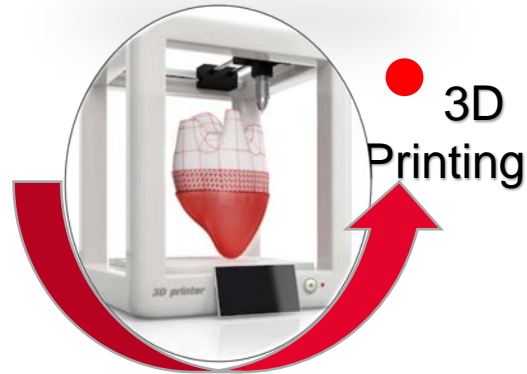
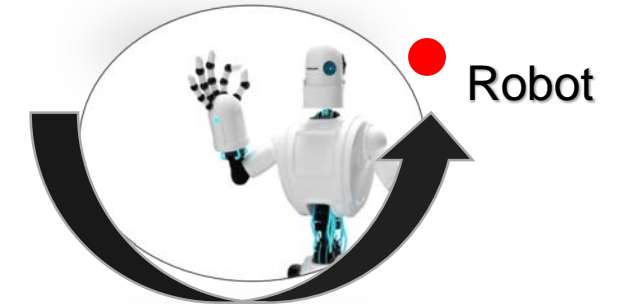
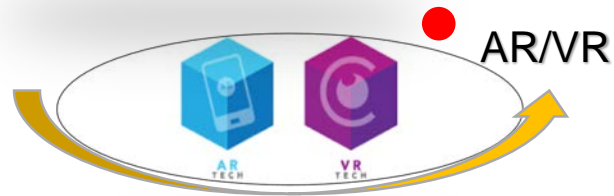
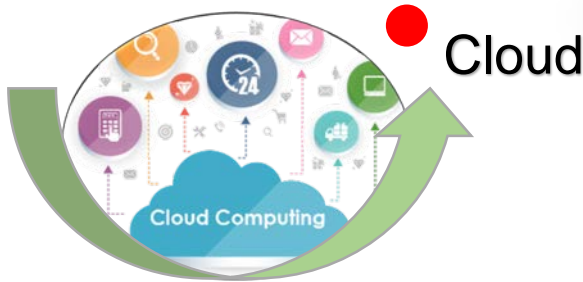
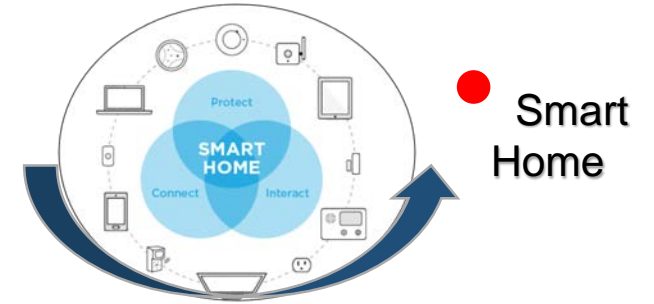
IT Infrastructure



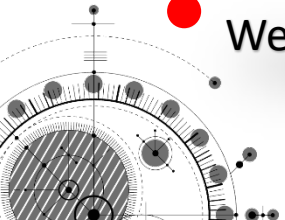
kampüsteyiz

INDEX GRUP

Future Technology Trends



Wearable Technologies



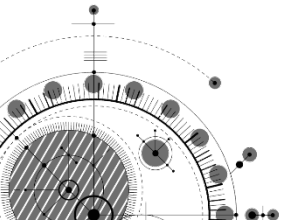
Strong, Profitable & Efficient Growing Index Group

Profitable

Efficient

Strong

INDEX GRUP



Thanks



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