

Executive update of the Distribution Industry

Introduction by TUBISAD - Atilla KAYALIOGLU / TUBISAD Board Member

Presentations by CONTEXT

14th March, 2022

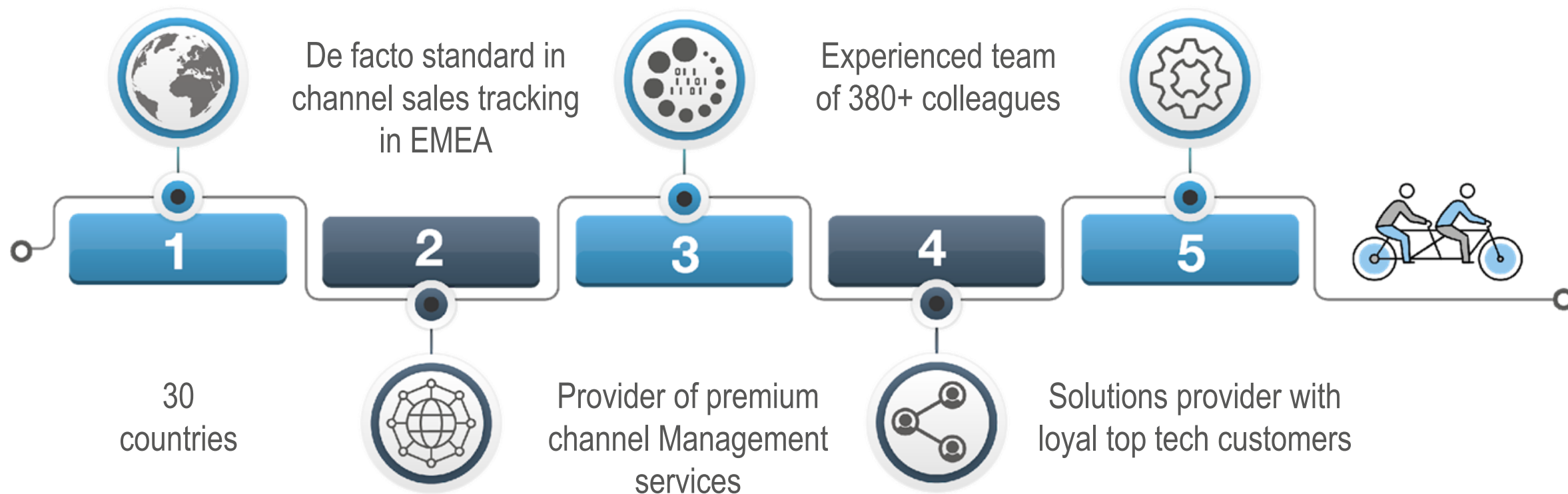
1. Introduction by TUBISAD - Atilla Kayalioglu / TUBISAD Board Member
2. Overview of Turkey IT Panel - Erol Kuseyri / CONTEXT Turkey Country Manager
3. 2022 Outlook for Europe - Adam Simon / CONTEXT Global Director
4. Review of the IT Channel Performance and Plans 2022 for META - Timothy Davies - ME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



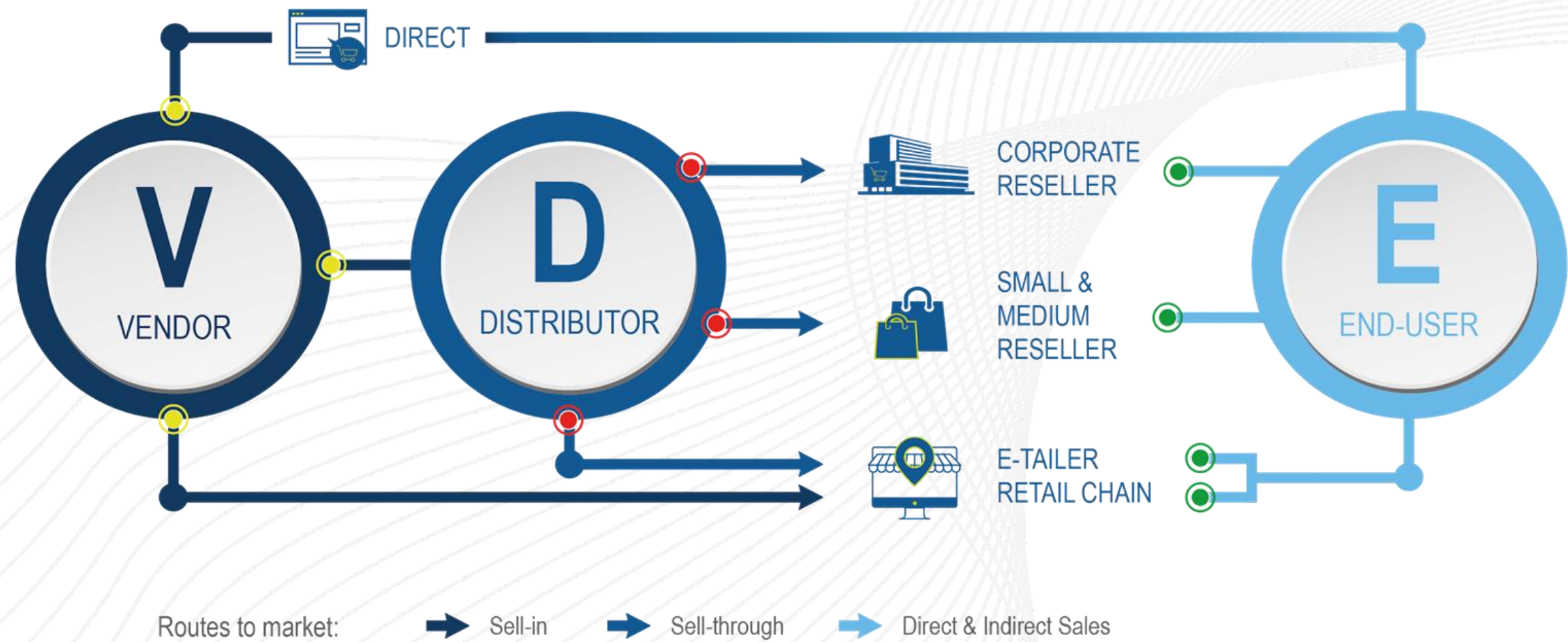
TURKEY PANEL

Erol Kuseyri
Country Manager Turkey
CONTEXT META

35+ YEARS INTO THE JOURNEY



CONTEXT DISTRIBUTION PANEL IS THE CHANNEL DATA REFERENCE



OVERVIEW OF TURKEY IT PANEL



Reporting since 2014

13 Panel Members

Coverage +90% real data
(Value+Volume Business)

- Arena
- Armada
- Bilkom
- Boğaziçi
- Despec
- Endeks
- Epay WW
- Index
- Koyuncu
- Netex
- Penta
- Techdata
- Tecpro

- ChannelWatch Survey
- Regular Summary Reports
- Channel Activities

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

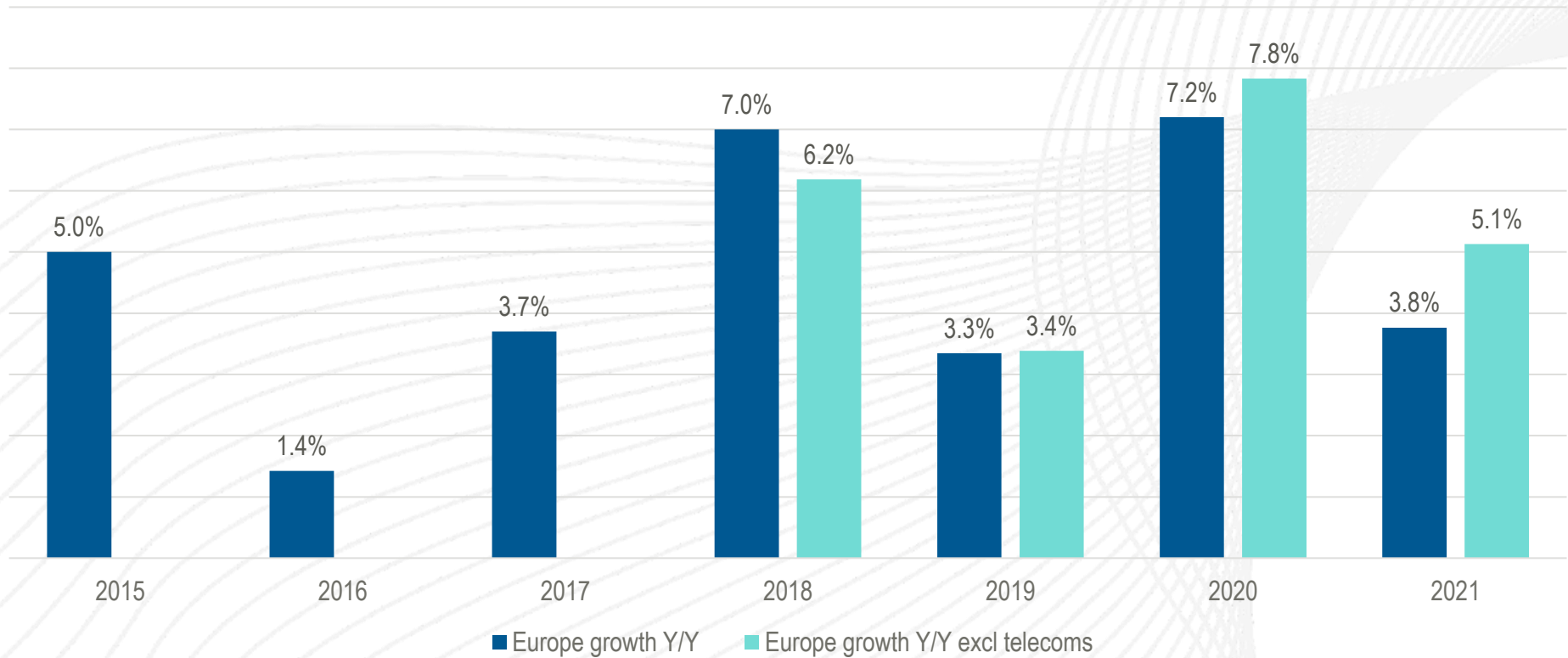
Impact of Ukraine 2022

- 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



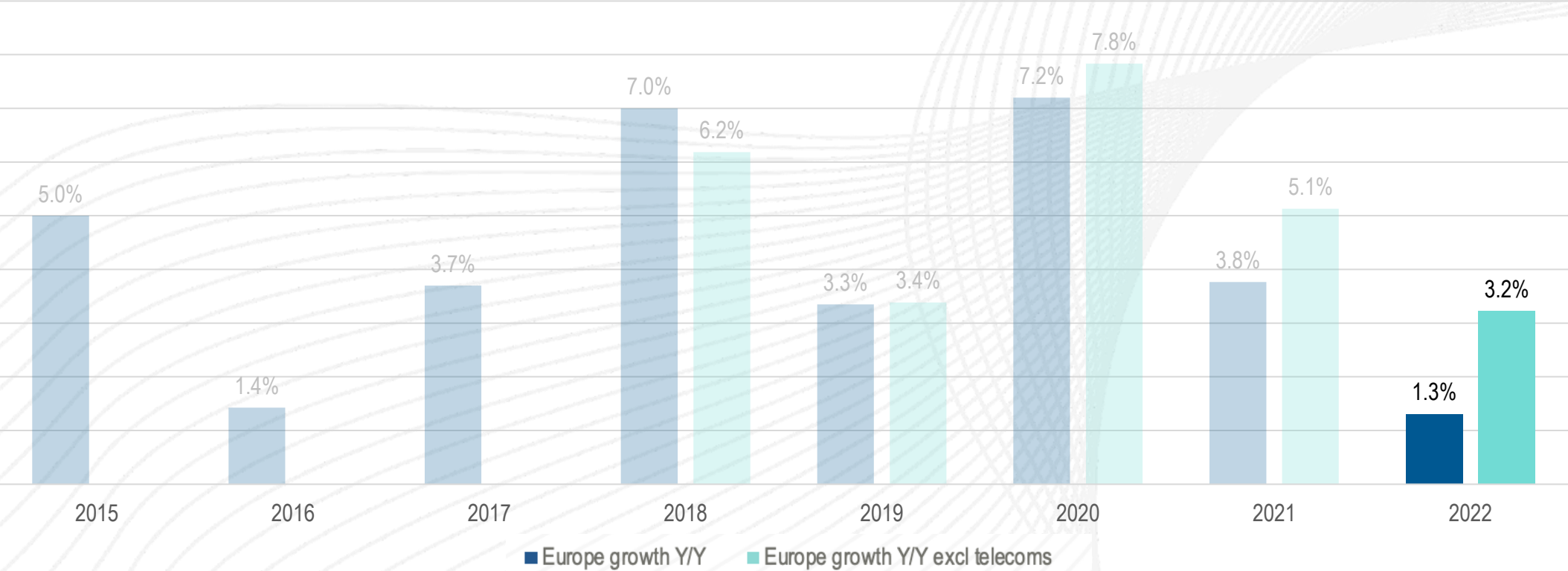
37% cumulative growth since 2014

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

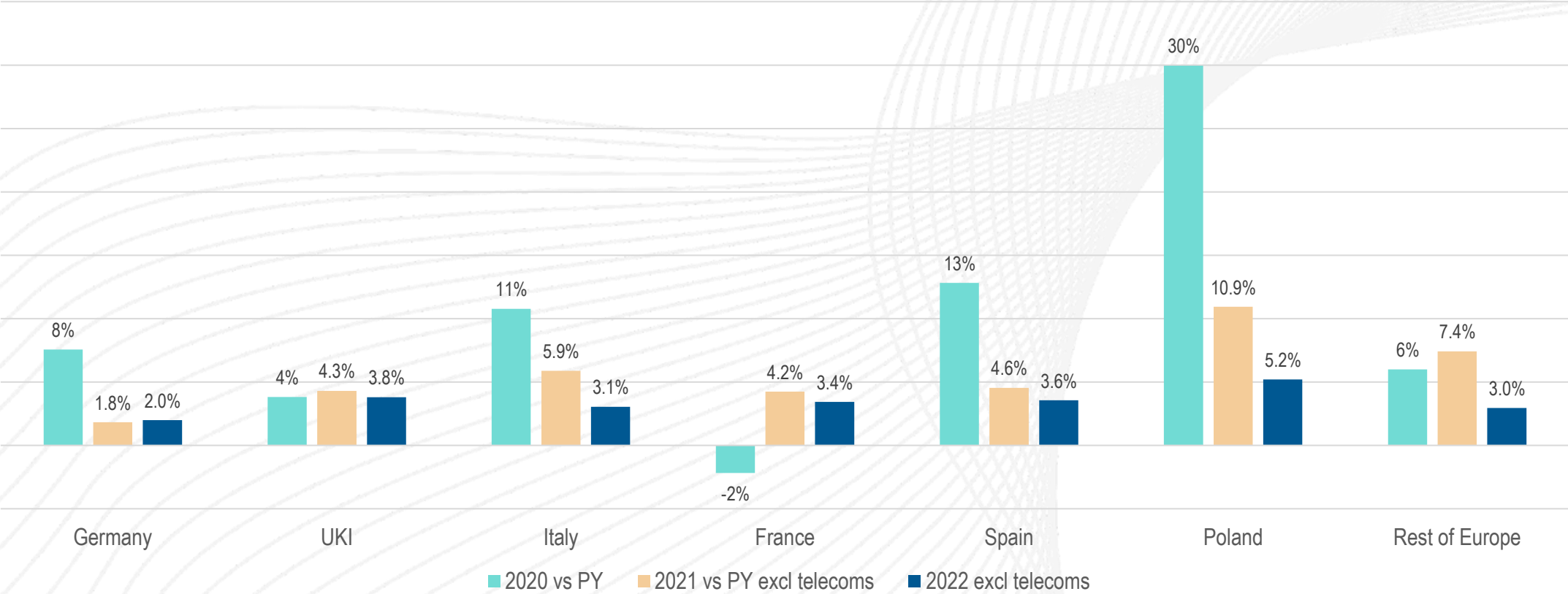


Distribution sales translated at fixed € exchange rate and includes: Germany, UKI, France, Italy, Spain, Netherlands, Switzerland, Sweden, Austria, Belgium, Denmark, Portugal, Finland, Norway, Rest of Europe, Poland, Czech, Slovakia, Baltics

ALL COUNTRIES FORECAST TO GROW IN 2022



Distribution Sales by Year: Annual Growth by Country

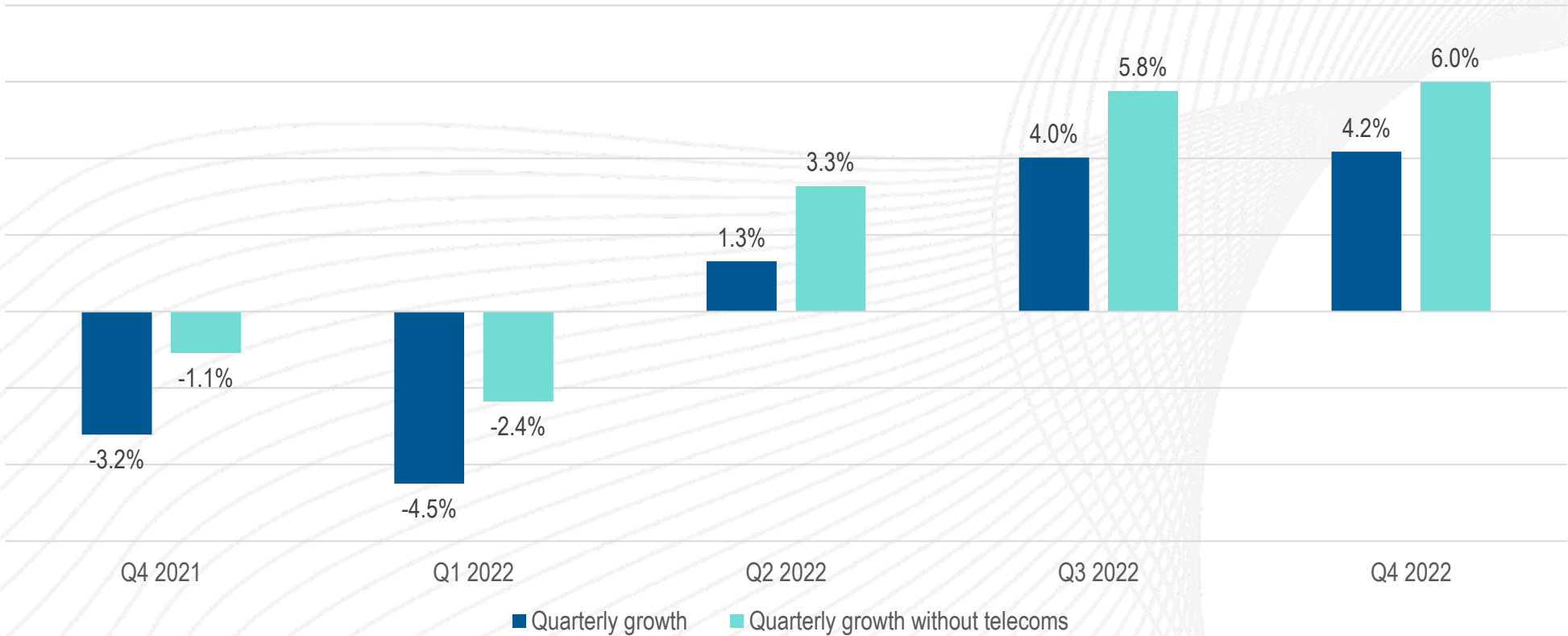


Distribution sales translated at fixed € exchange rate and includes: Germany, UKI, France, Italy, Spain, Poland, Other countries

THE QUARTERLY PROFILE IS INCREASING GROWTH



Distribution Sales by Year: 7 year history - quarterly growth

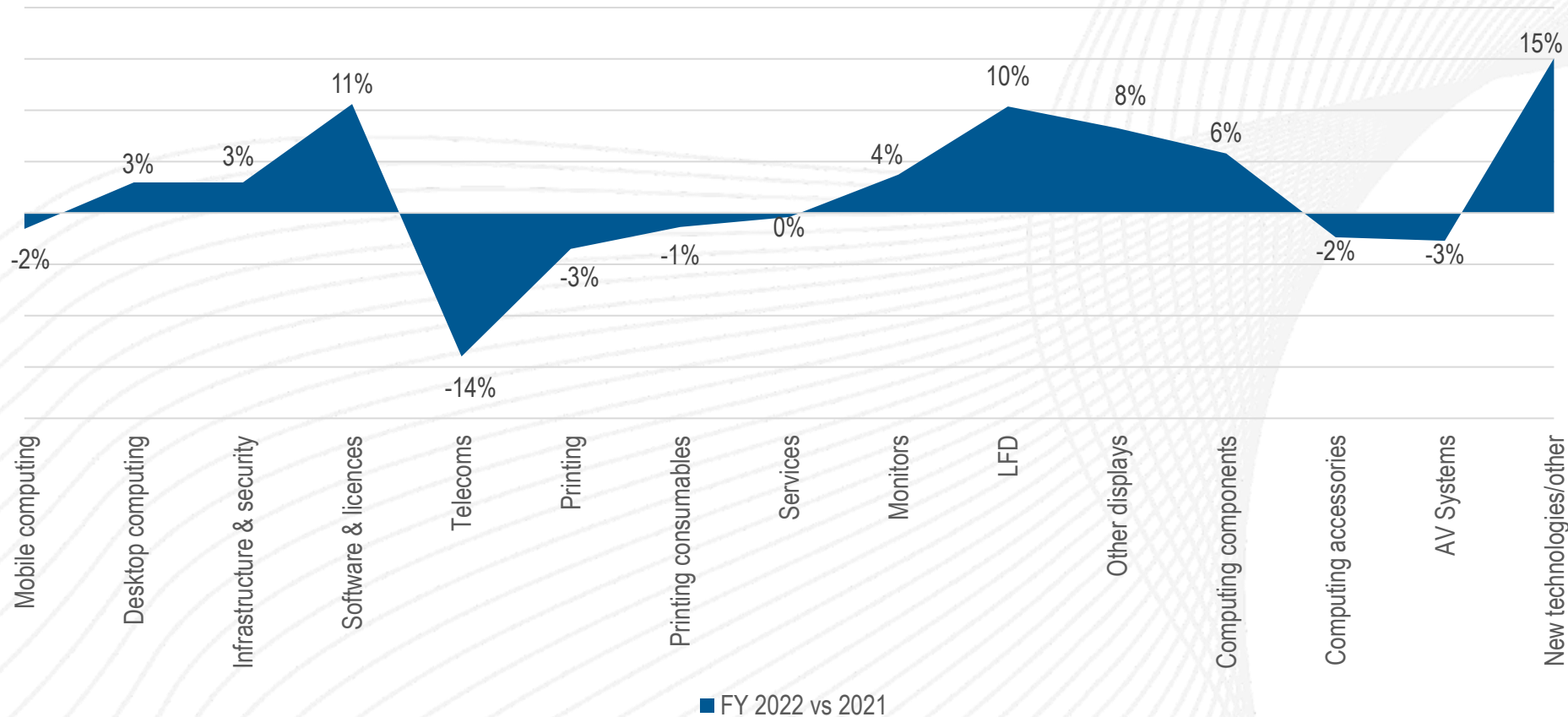


Distribution sales translated at fixed € exchange rate and includes: Germany, UKI, France, Italy, Spain, Netherlands, Switzerland, Sweden, Austria, Belgium, Denmark, Portugal, Finland, Norway, Rest of Europe, Poland, Czech, Slovakia, Baltics

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



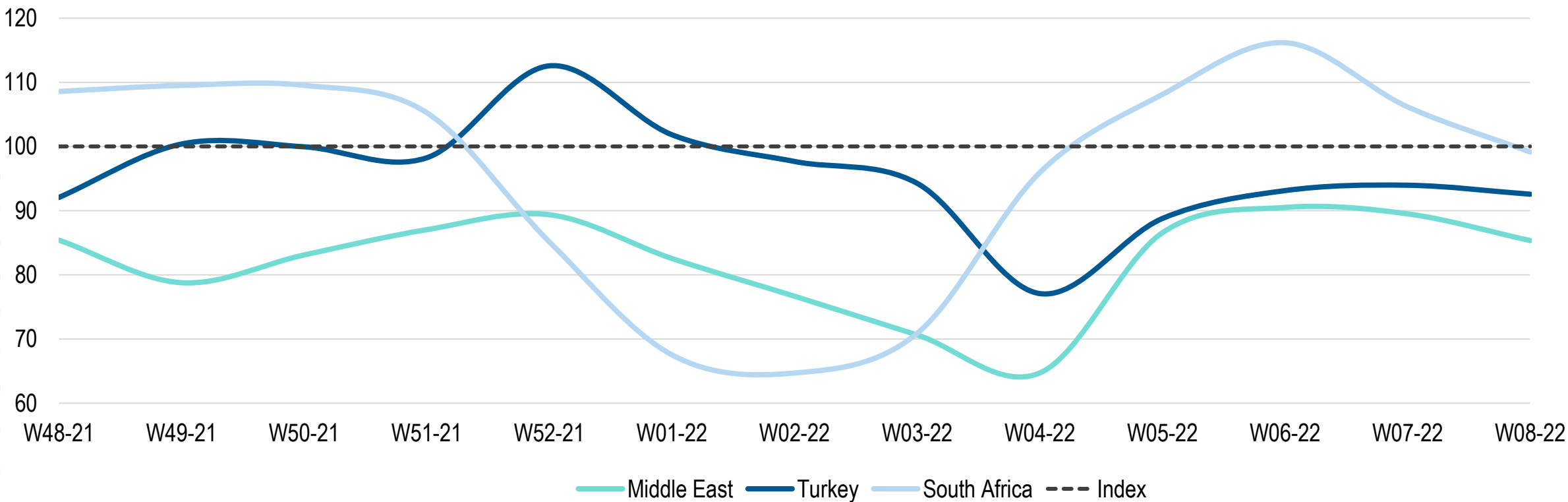
META PERFORMANCE & PLANS

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)



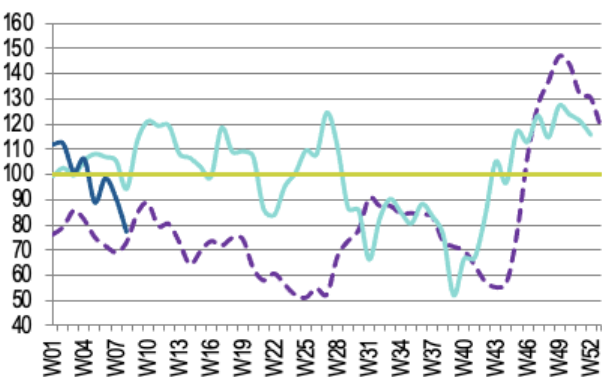
SOUTH AFRICA LEADS AT START OF 2022



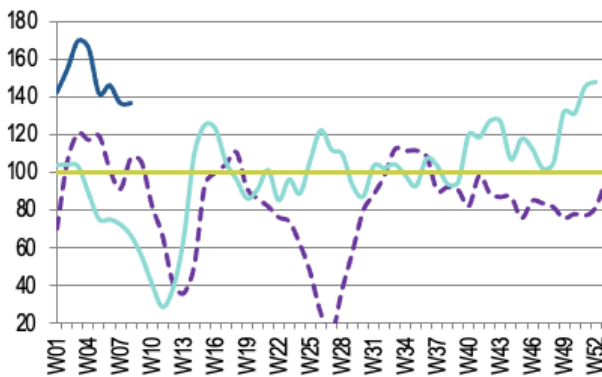
Distribution Sales Indices - Categories

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

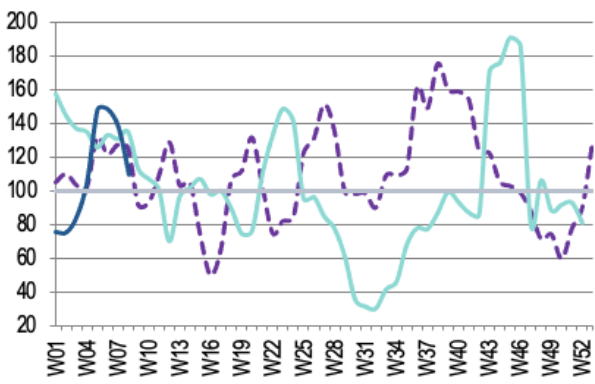
Notebooks Turkey



Notebooks S Africa



Notebooks Middle East



2022 — 2021 Reference Year — 2020 - - - Index —

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.

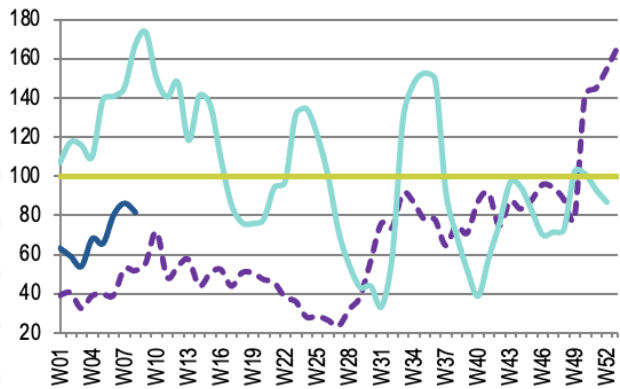
TABLETS



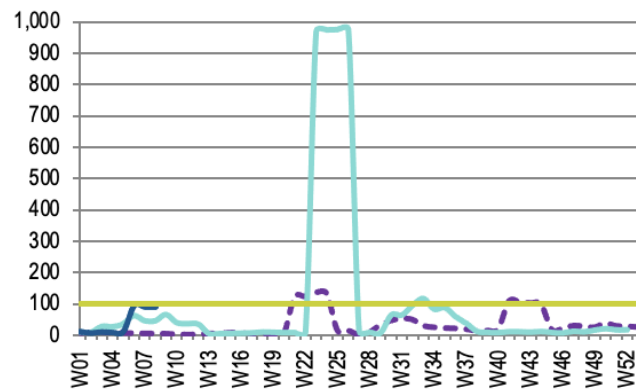
Distribution Sales Indices - Categories

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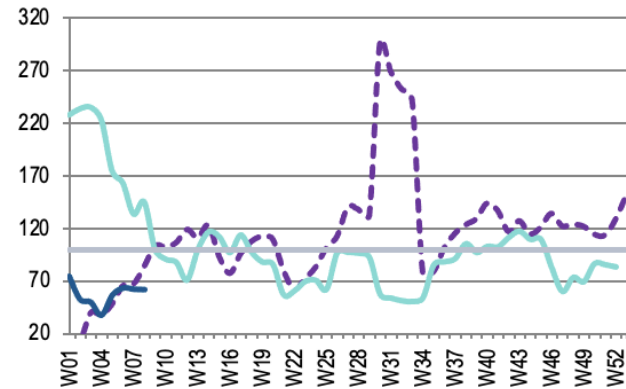
Tablet PCs Turkey



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

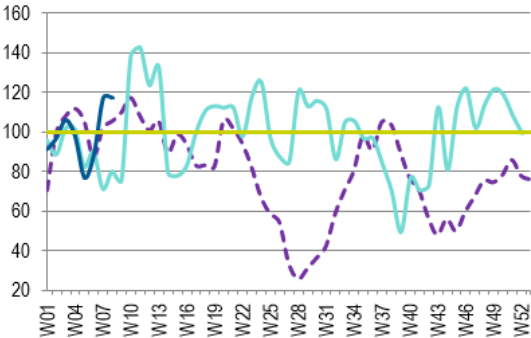
Distribution sales translated at daily \$ exchange rate.

Distribution Sales Indices - Categories

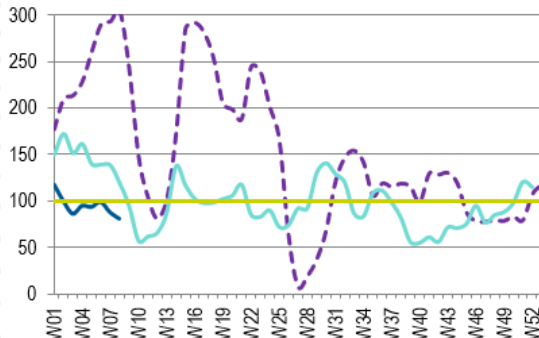
Revenue Trend Index (Index base 100 = Weekly revenue average 2021 for Each Category)

2022 2021 Reference Year 2020 Index

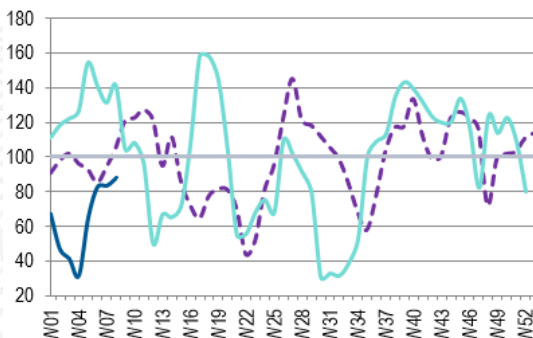
Desktops Turkey



Desktops South Africa



Desktops Middle East



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.

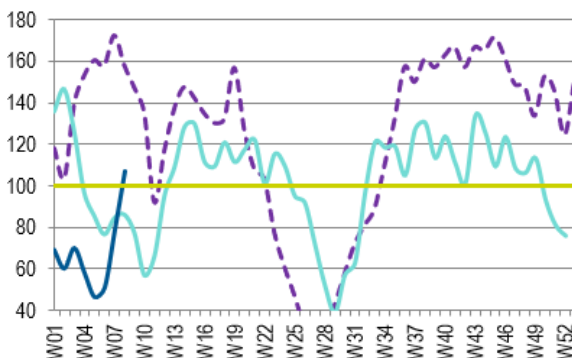
SMARTPHONE AND GRAPHIC CARDS



Distribution Sales Indices - Categories

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

Smartphones Turkey



SMARTPHONE TURKEY

2020 Revenue \$1.2 bln

2021 Revenue \$988M

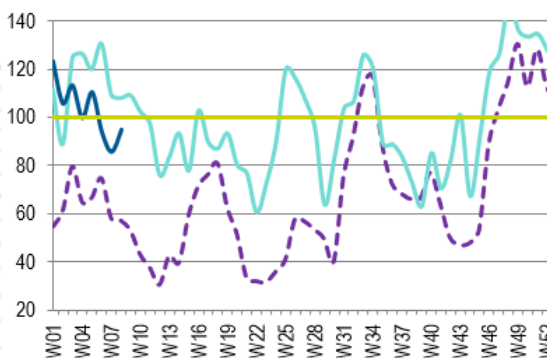
YoY -15.4%+ decline

2020 2.3M units sold

2021 1.6M units sold

YoY -%29 units decline

Graphics Cards Turkey



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.

SOFTWARE AND STORAGE

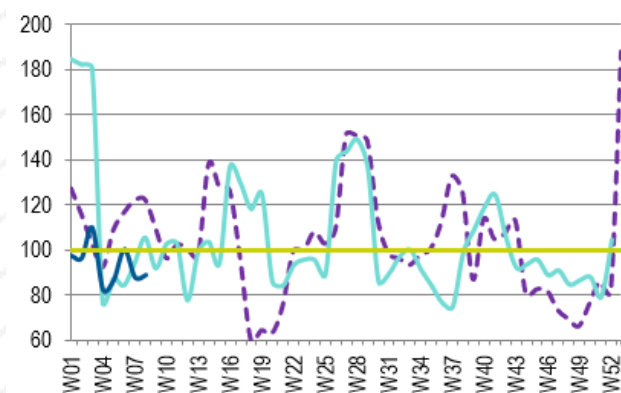


Distribution Sales Indices - Categories

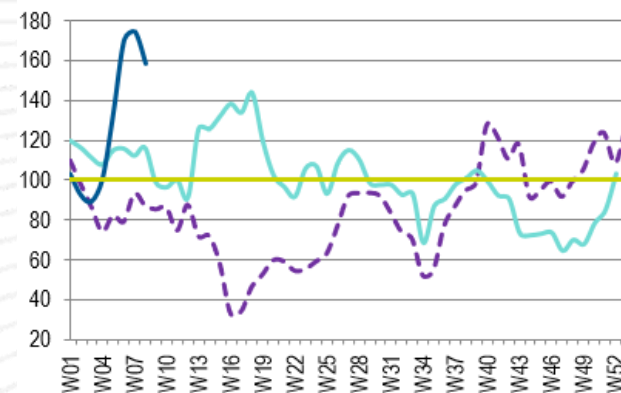
Revenue Trend Index (Index base 100 = Weekly revenue average 2021 for Each Category)

2022 2021 Reference Year 2020 Index

Software and Licences South Africa



Disk Storage Middle East

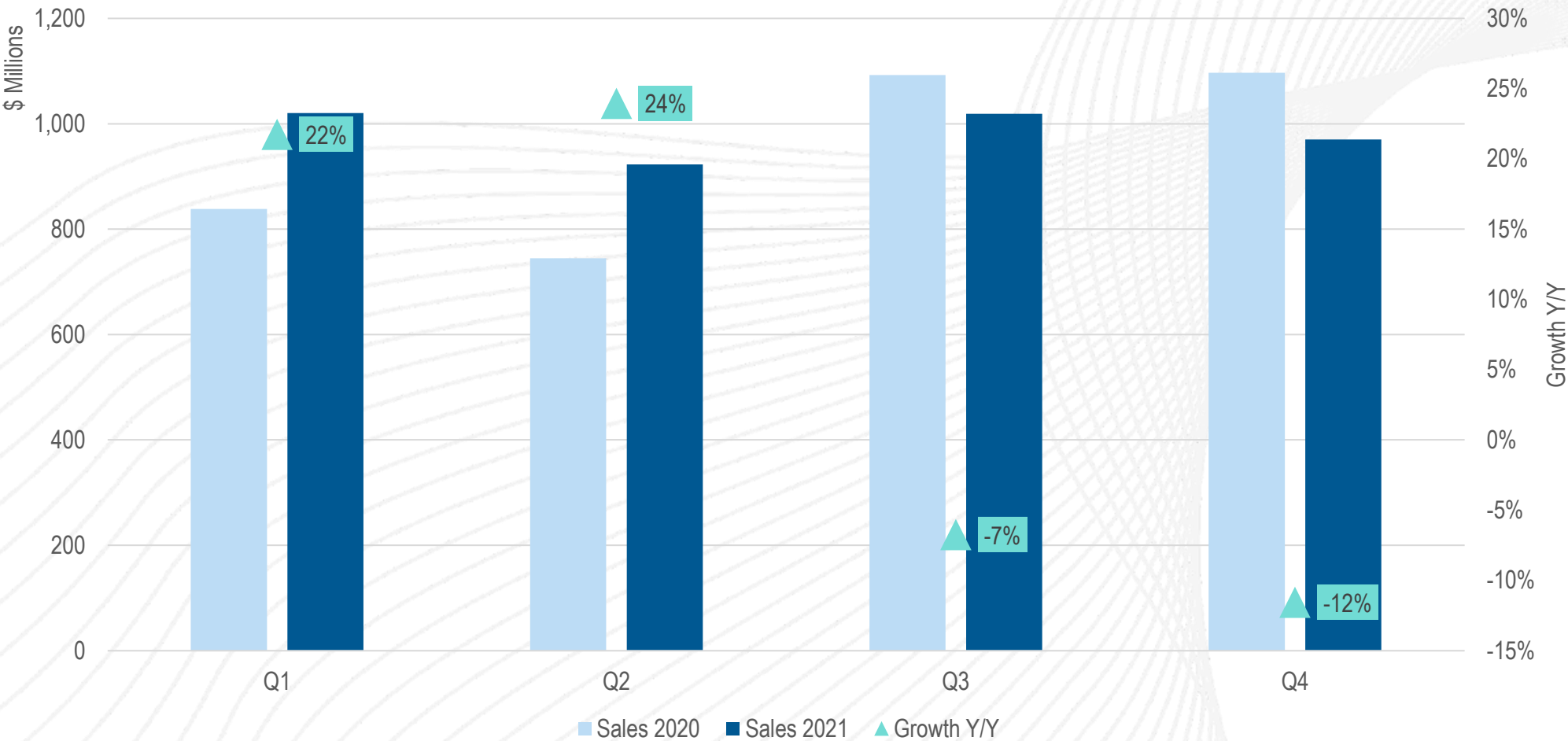


Distribution sales translated at daily \$ exchange rate.

TURKEY DISTRIBUTOR PANEL REVENUE 2020 AND 2021



Distribution Sales Quarterly Y/Y Performance 2020 and 2021

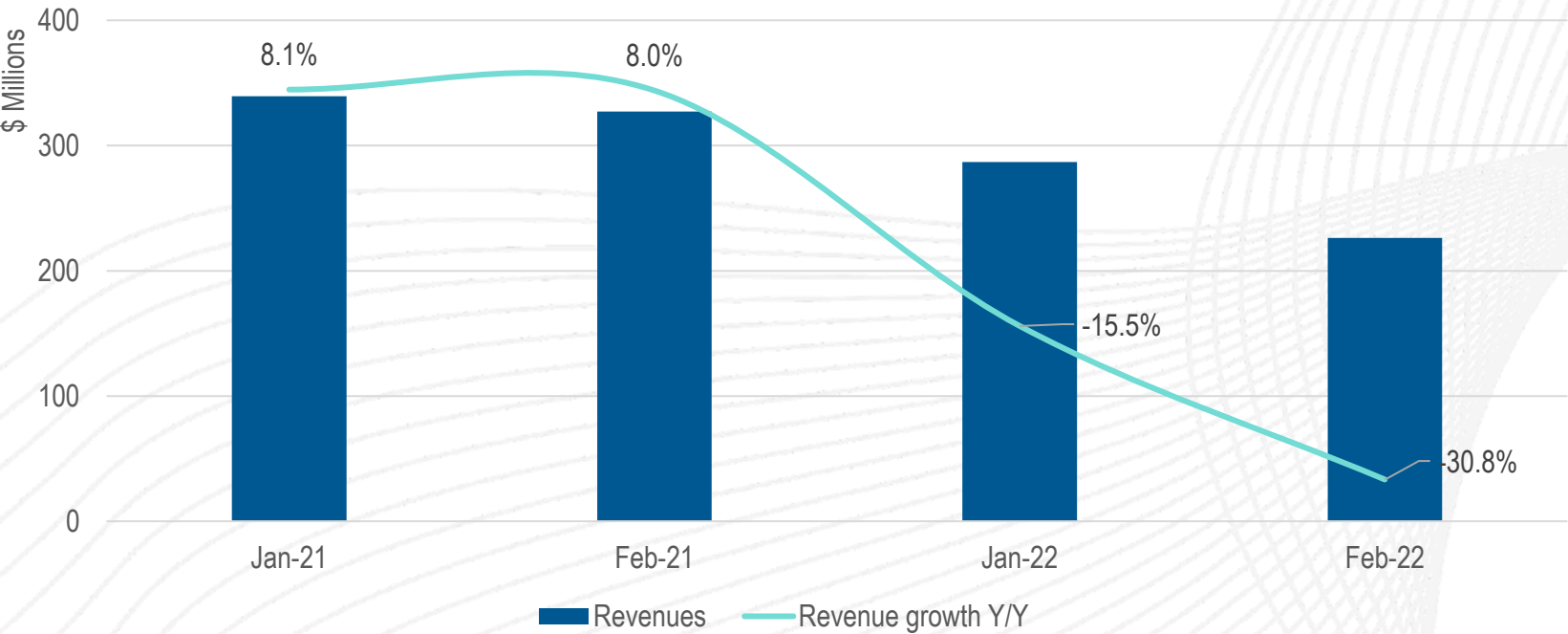


2020 Revenue \$3.7bn
2021 Revenue \$3.9bn
YoY **4.1%+ growth**

2022 JAN-FEB PERFORMANCE



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



2022 PERFORMANCE

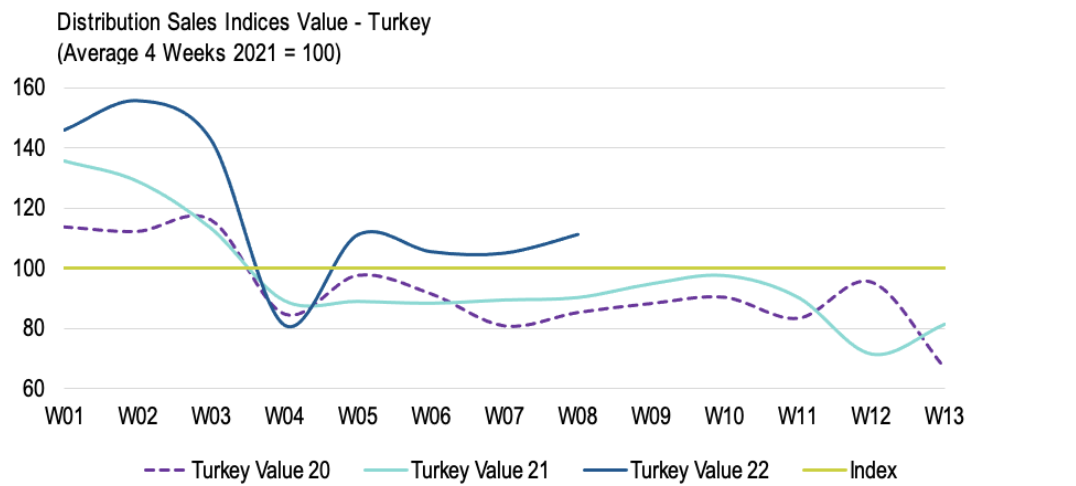
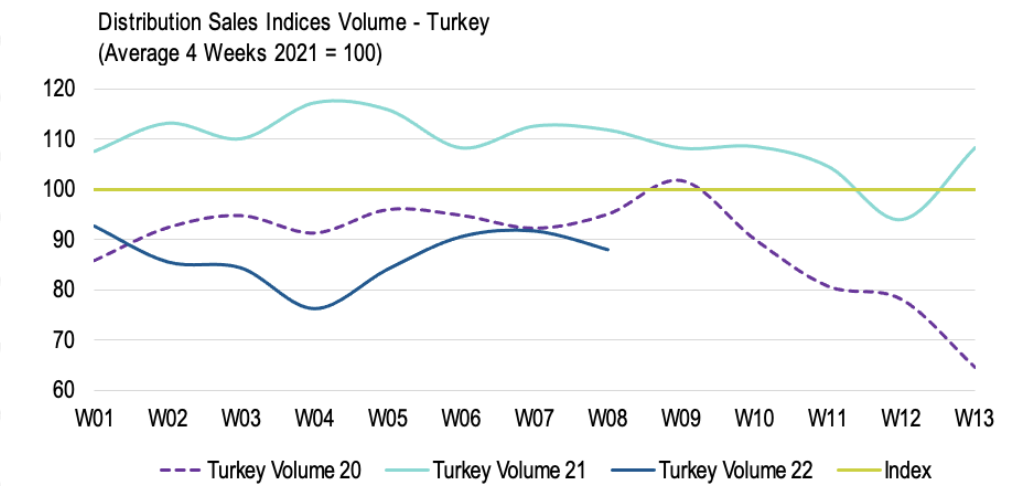
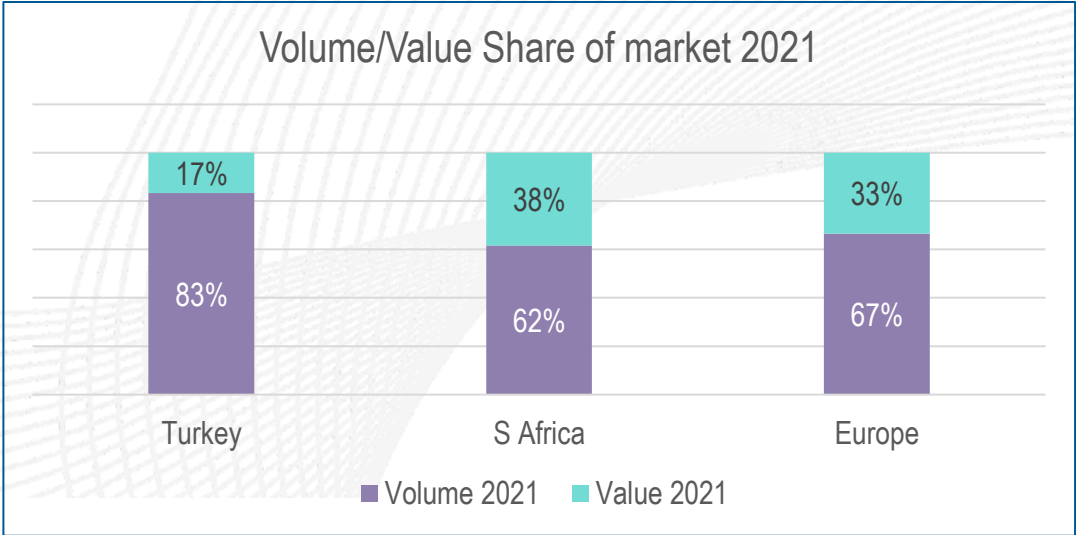
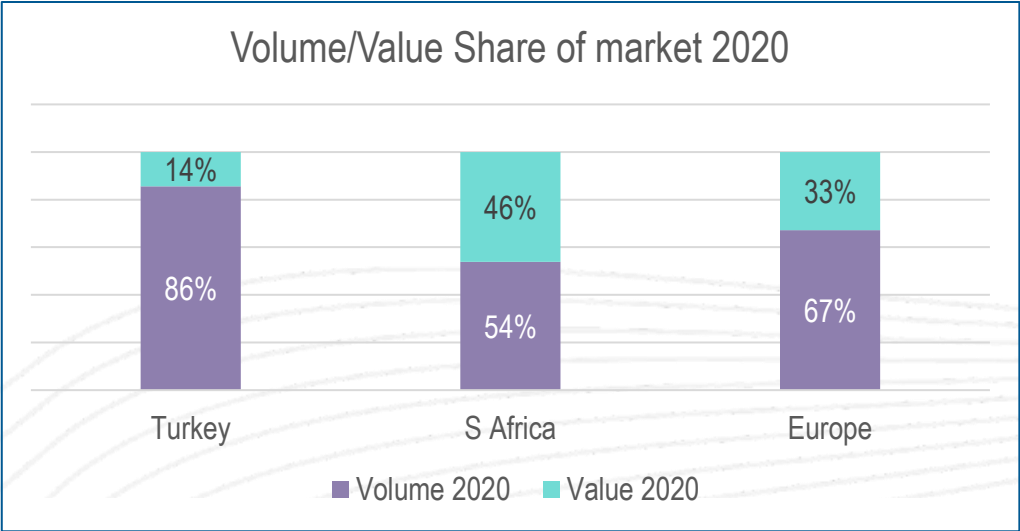
JAN

2020 Revenue	\$314M
2021 Revenue	\$340M +8.1%
2022 Revenue	\$286M -15.5%

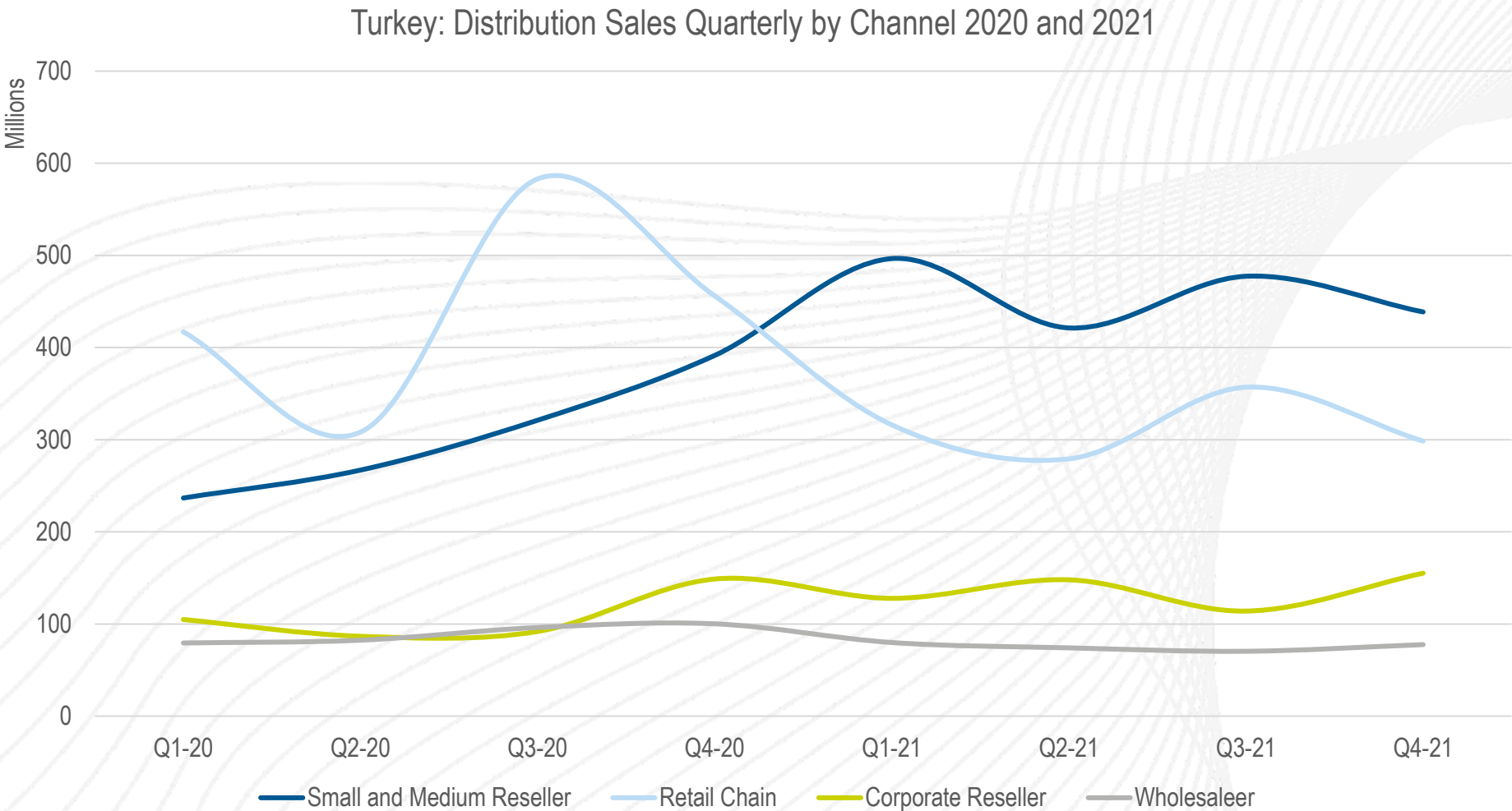
FEB

2020 Revenue	\$303M
2021 Revenue	\$324M +8%
2022 Revenue	\$226M -30.8%

VOLUME VALUE SPLIT



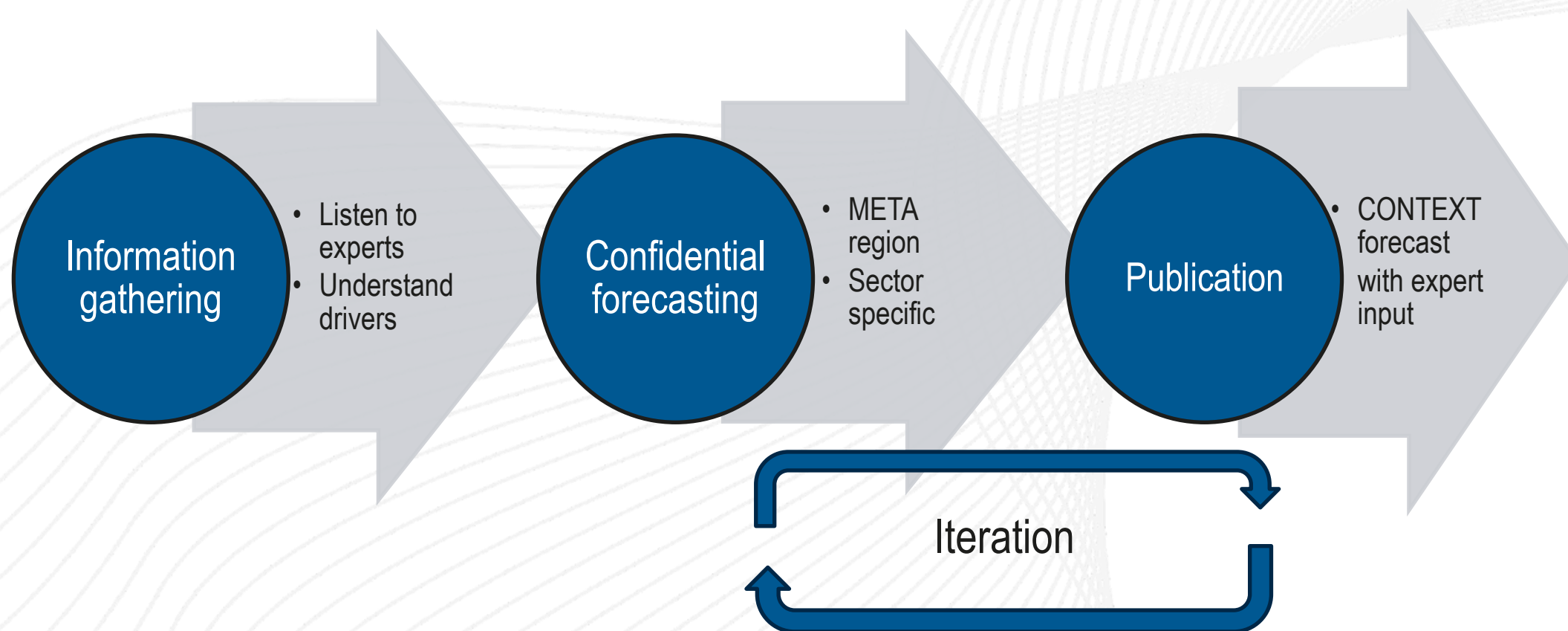
SMALL & MEDIUM RESELLERS HAVE BECOME THE DOMINANT CHANNEL IN TURKEY



A large graphic featuring two interlocking blue and white spheres. Inside the spheres are white bar charts. The word "CONTEXT" is written in bold blue capital letters above the word "FORECASTING", also in bold blue capital letters.

CONTEXT FORECASTING

FORECASTING PROCESS



Q2 Live Forecasting Sessions for META

- 5th April - Mobile Computing
- 5th April - Networking
- 6th April - Imaging
- 6th April - Servers and Storage
- 7th April - Displays

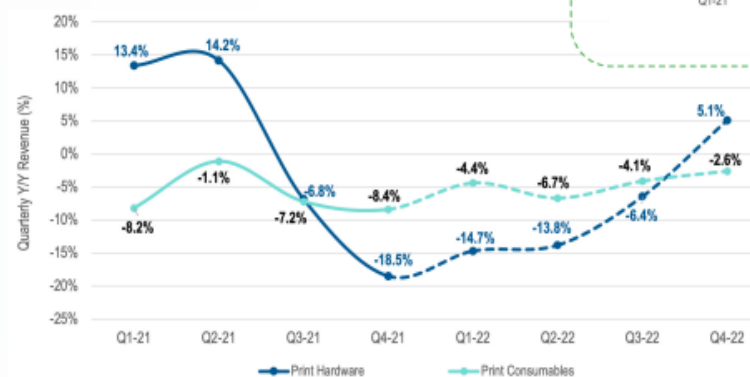
Apply here!

OUR 2022 FORECAST (revenue)

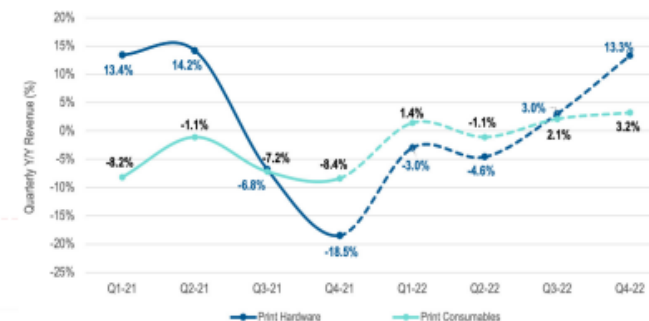
In a worst-case scenario, projects are delayed and lead times increase amidst continued component and raw material scarcity. A more optimistic picture for 2022 assumes renewed demand for consumer printers in H2 and an average selling price increase due to greater demand for business printers.

Our worst-case consumables revenue forecast is based on the assumption that chips, crude oil and other components and raw materials remain in short supply and lead times and prices increase. A best-case scenario assumes solid demand for consumer toners, high demand for ink cartridges and solid growth for refillable ink bottles.

Worst-case Print forecast Europe



Best-case Print forecast: Europe





| **THANK YOU!**

OPTIMISE TODAY

ACCELERATE TOMORROW