

ABC Data Achieves "Breakthrough" in Q1 2017

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CEE-based distributor ABC Data manages to bring gross margins to record levels in Q1 2017, following a series of efforts to reduce operational costs.



As a result, Q1 2017 sees revenues fall by -4% Y-o-Y to 994.8 million Polish zloty (€236.04m), while EBITDA is up by 19% Y-o-Y to 6.8m zloty. The quarter also has the highest ABC Data margins on sales, reaching 5.9% (0.5% higher than Q1 2016). The traditional distribution business sees 5.7% profit margins, while the value-added business unit reaches margins of 10%, in part thanks to the acquisition of storage specialist S4E.

"The first quarter is a breakthrough for the company's results," CEO Illona Weiss says. "At the end of 2016, [we implemented] actions aimed at optimising costs, [which has] brought the assumed effect right now and will become even more apparent in the coming quarters. In addition, business decisions and intensive work carried out in key areas of e-commerce, cloud, mobile, and VAD translate into the financial results of the group."

The distributor went through a sales and marketing channel restructure in Q4 2016, with the aim to "optimise" its product portfolio and lower operational costs. This was due to a 2016 where profits fell by -41.45%, the result of a "volatile market situation" leading the board to withhold dividend payouts to shareholders.

Looking to the future, ABC Data hopes fiscal 2017 will see it reach sales worth 4.47 billion zloty (€1.06bn), a -9% decline over the previous year. EBITDA is forecast to total 50.6m zloty, a 25% increase.

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