COMARCH

Financial Results H1 2015

Konrad Tarański – Vice-President of the Management Board, CFO

31st August 2015, Warsaw

Agenda

- Financial Results

- Sales Structure

- Human Resources

- Investment

- Summary

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- **<u>Financial Results</u>**

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Consolidated Financial Results H1 2015

| Comarch Group	H1 2015	H1 2014
Revenue	505 441	429 677
Operating profit	44 340	20 823
Net profit attributable to the company's shareholders	35 782	13 353

In thousands of PLN

Financial Results H1 2015

Comarch SA	H1 2015	H1 2014
Revenue	343 267	281 232
Operating profit	40 016	18 159
Net profit	40 747	15 263

In thousands of PLN

Revenue H1 2015

Revenue
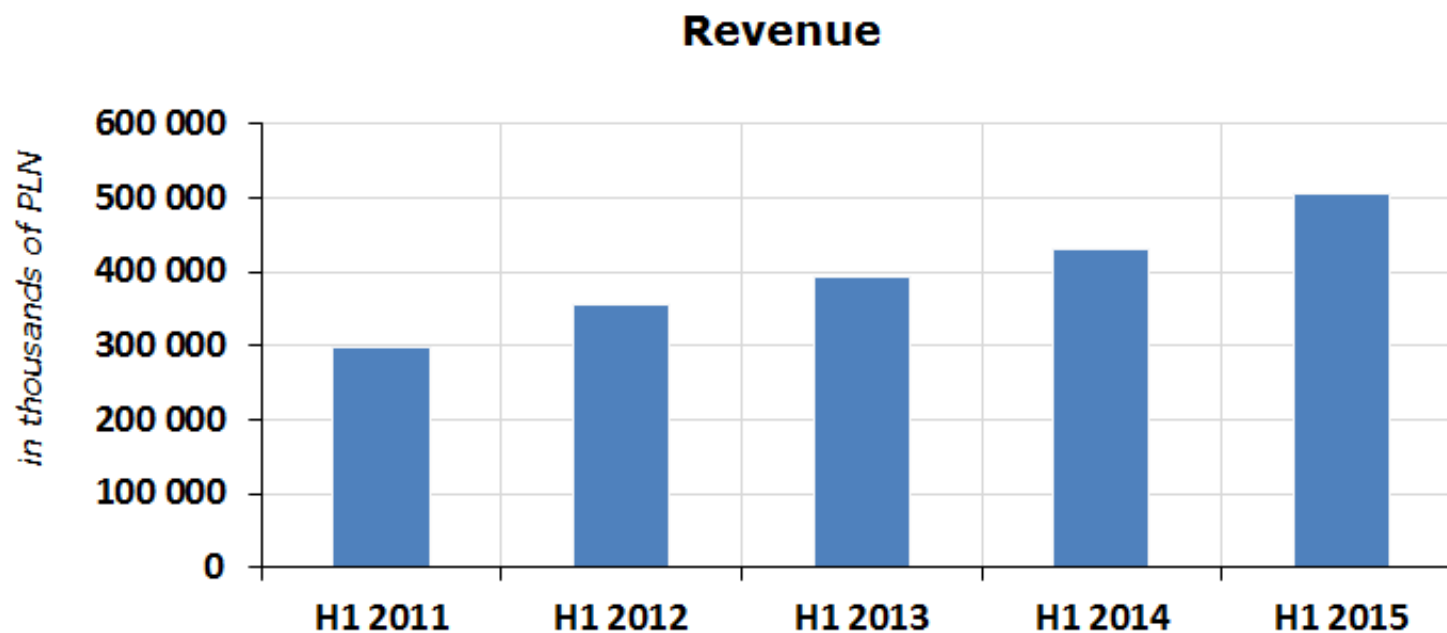
Operating Costs H1 2015

Costs
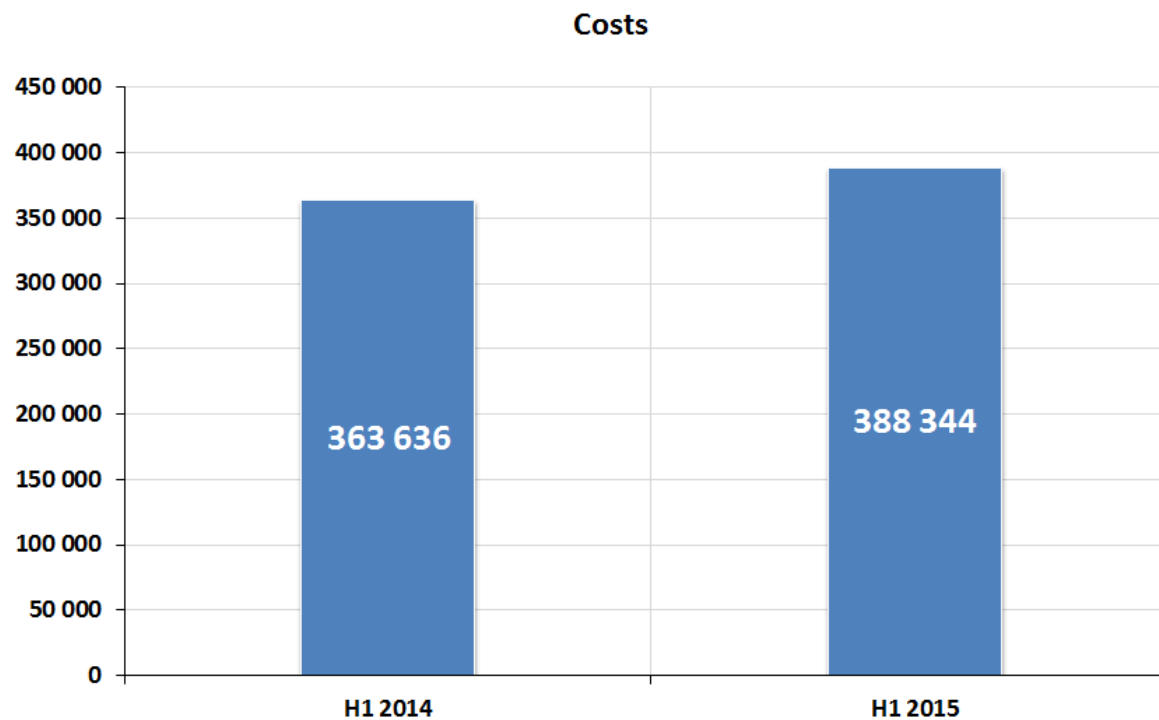
In thousands of PLN

Operating Profit H1 2015

Operating Profit

EBITDA H1 2015
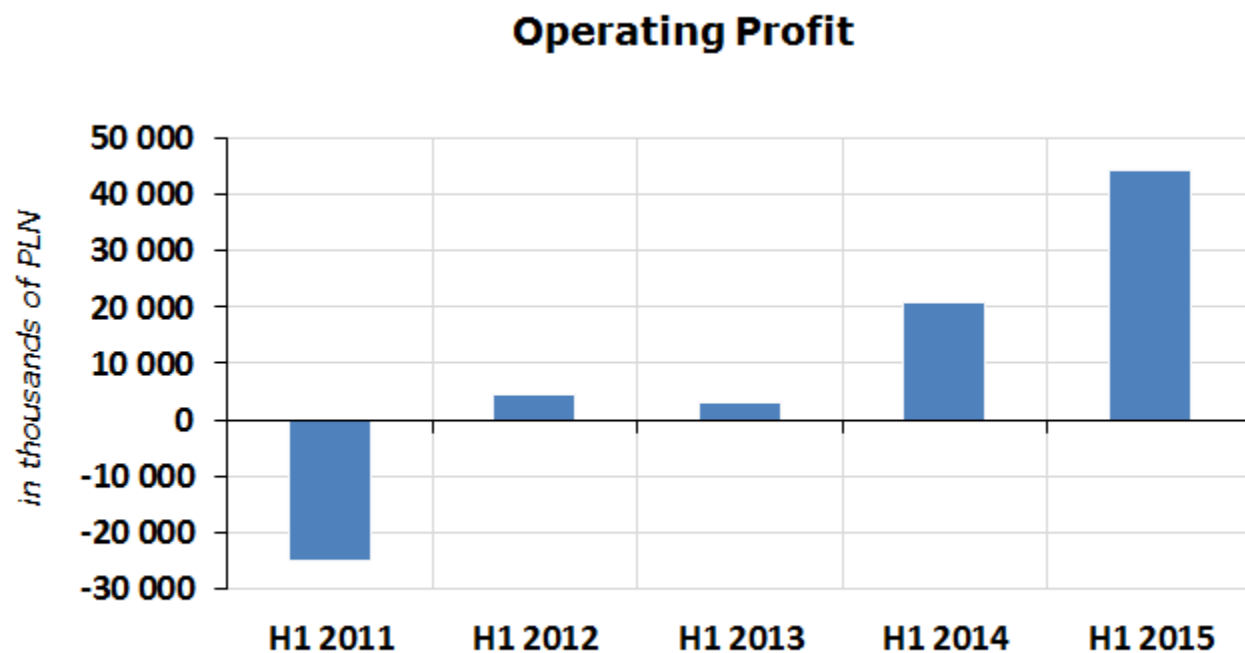
EBITDA
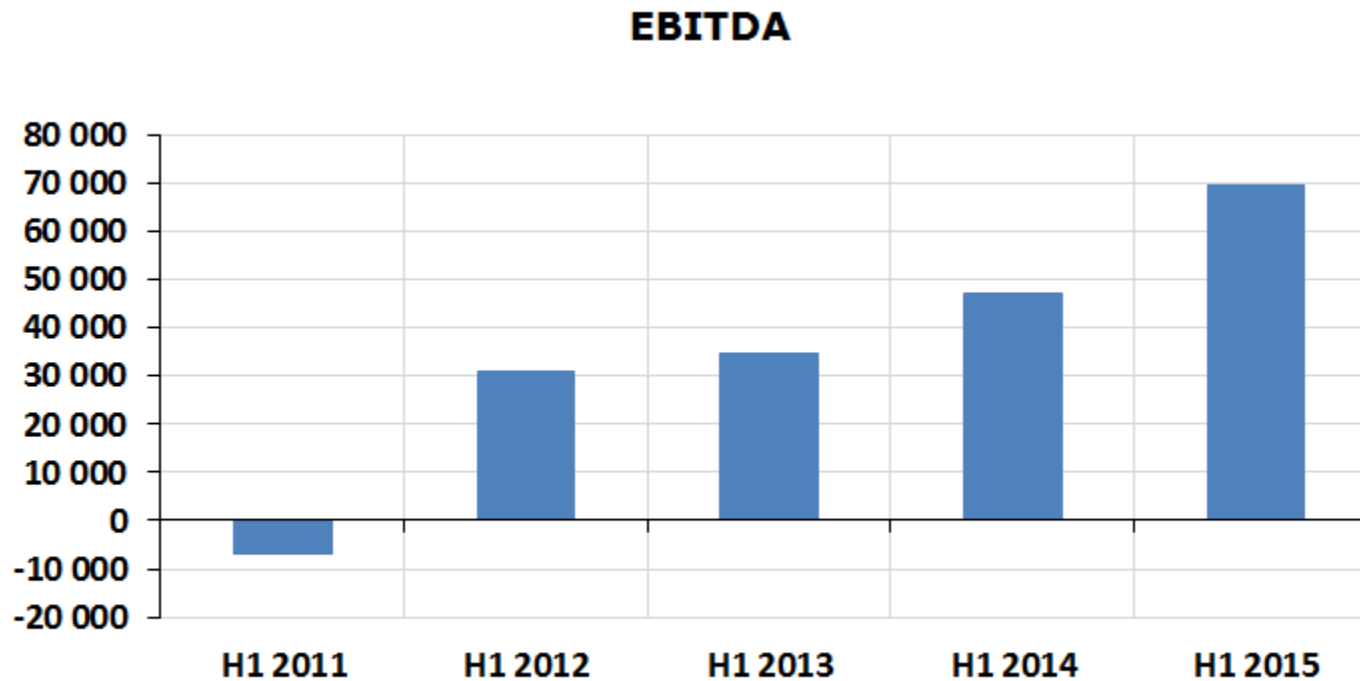
EBIT Margin H1 2015

EBIT Margin
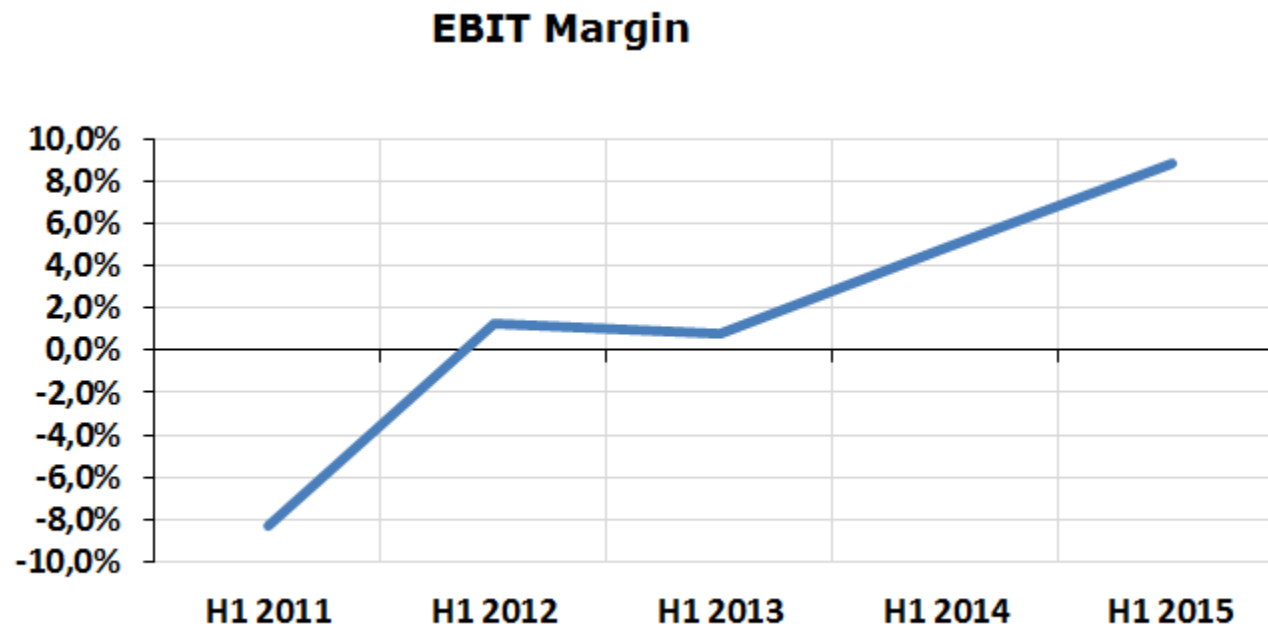
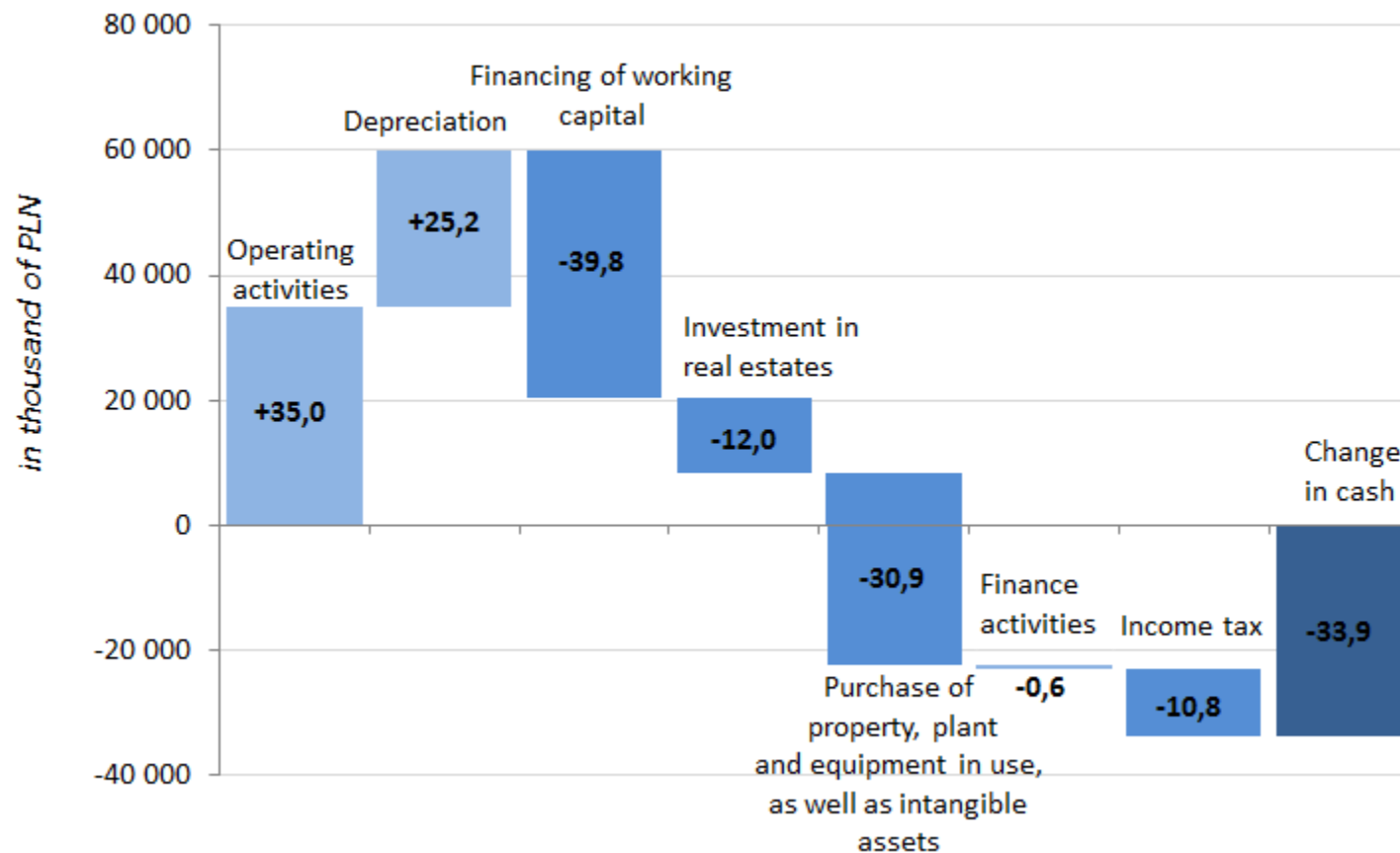# Net Margin H1 2015

Net margin
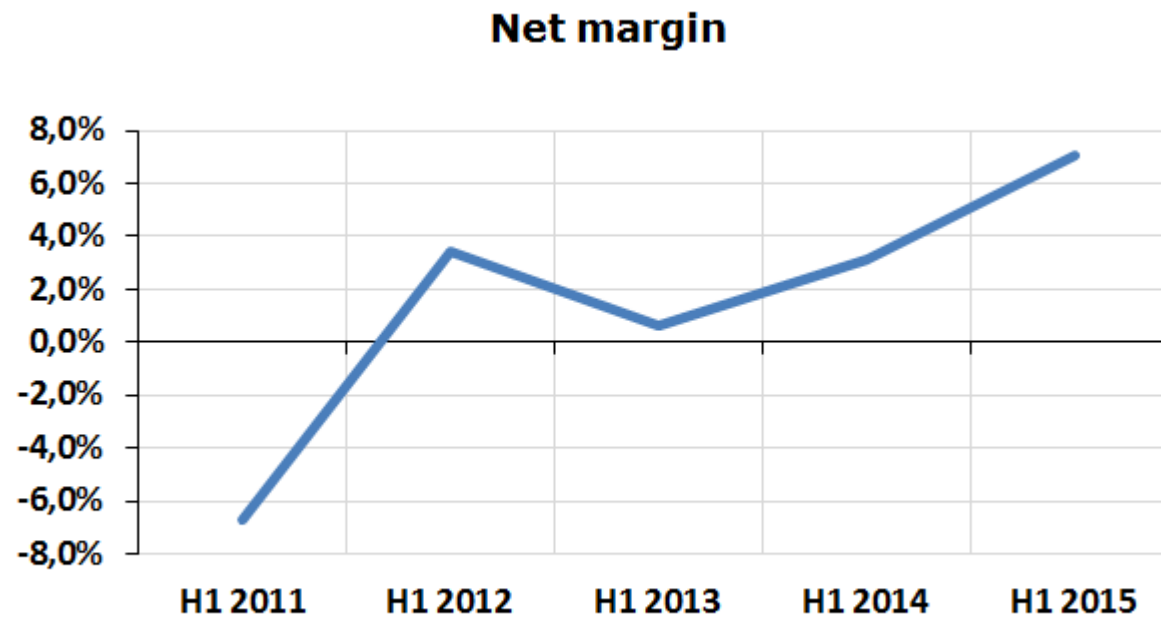
Cash Flow H1 2015

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Market Sales Structure H1 2015

H1 2015

Medicine
17 513

Sport
9 094

Investment
158

505 441

IT
478 676

H1 2014

Medicine
12 690

Sport
9 335

Investment
127

429 677

IT
407 525

In thousands of PLN

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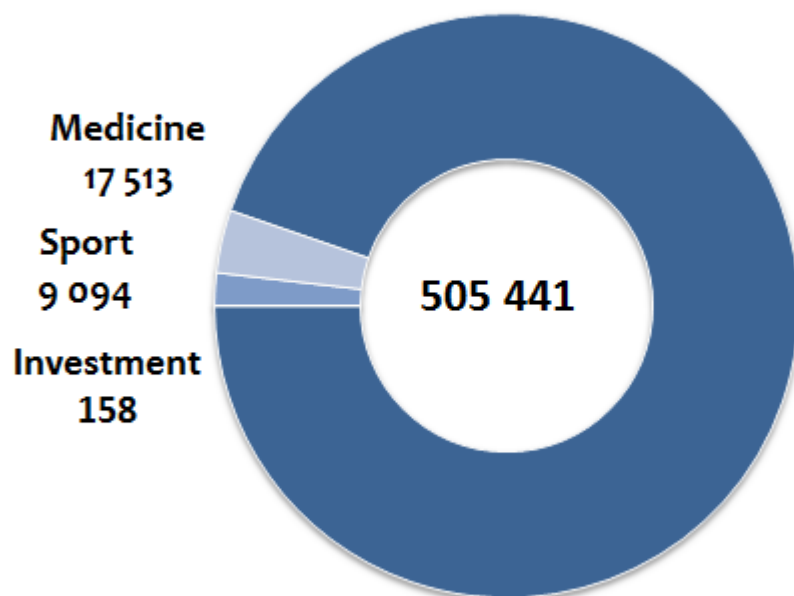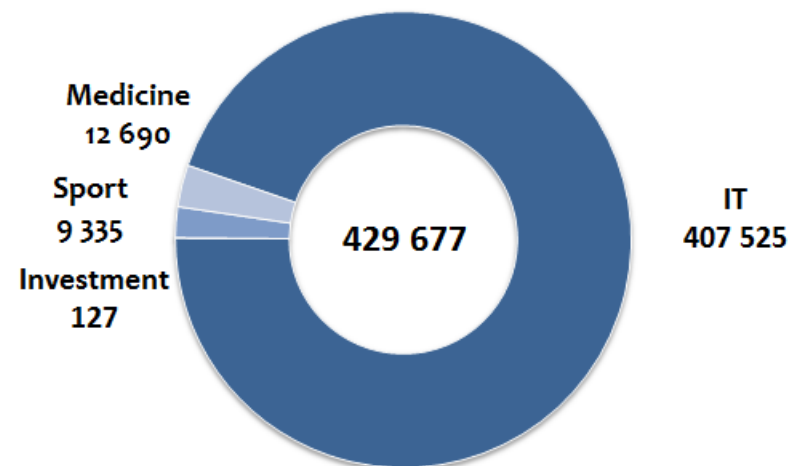
Market Sales Structure H1 2015

Revenue from Sectors
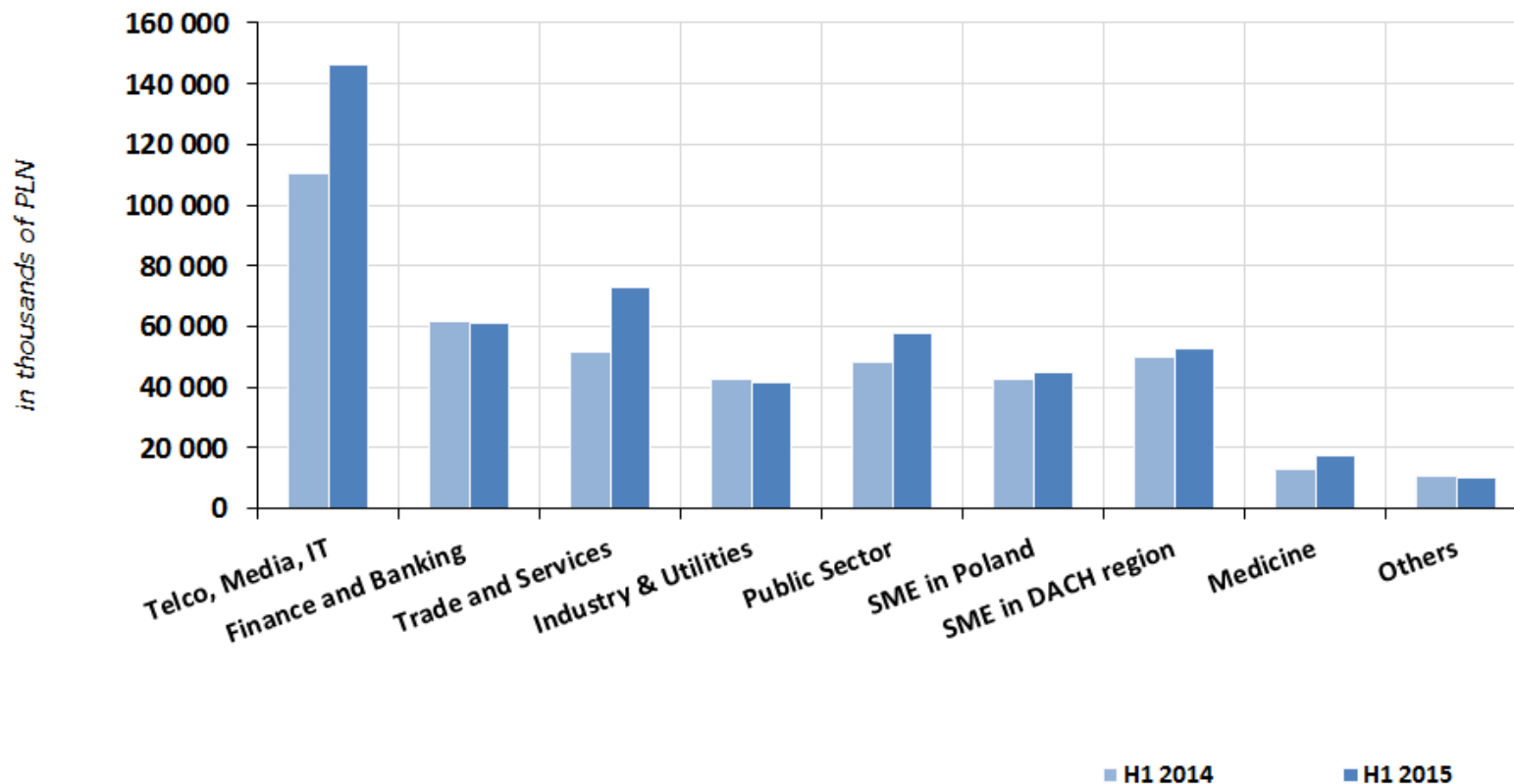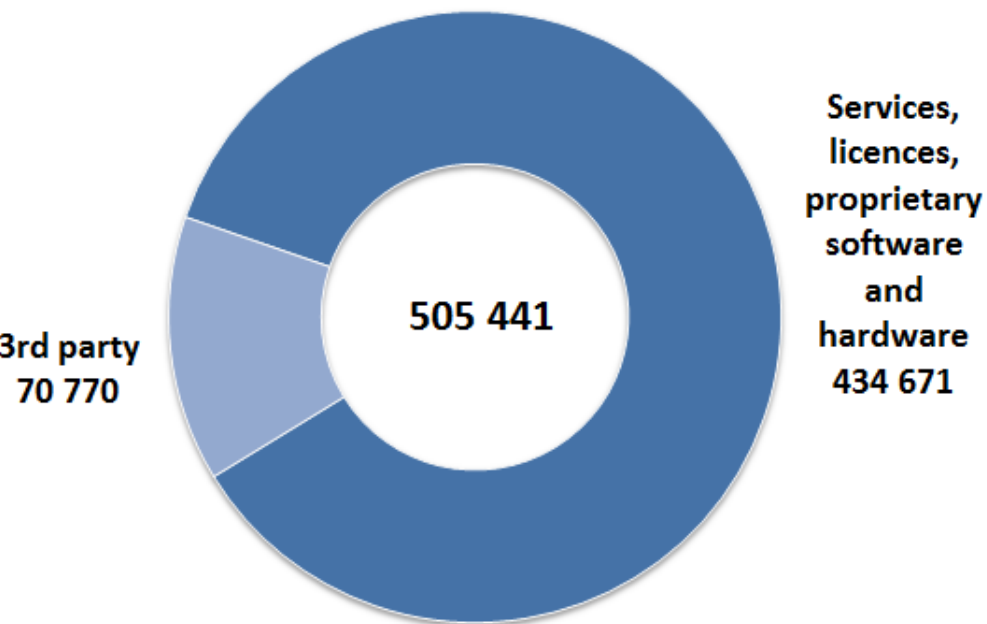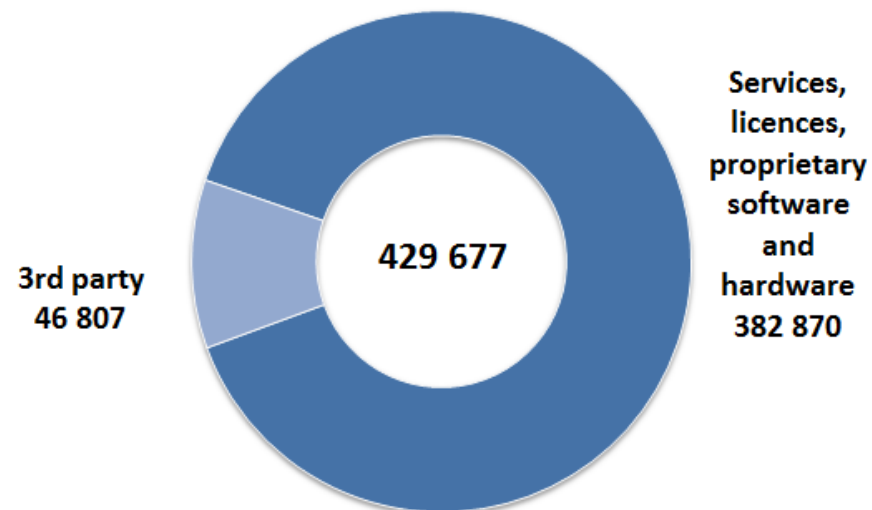
Financial Results H1 2015

15

Products Sales Structure H1 2015

H1 2015

3rd party
70 770

505 441

Services,
licences,
proprietary
software
and
hardware
434 671

H1 2014

3rd party
46 807

429 677

Services,
licences,
proprietary
software
and
hardware
382 870

In thousands of PLN

Products Sales Structure H1 2015

H1 2015

- Other 21 815 — 4%
- Hardware 13 590 — 3%
- Proprietary hardware 13 353 — 3%
- Third party software 35 365 — 7%
- Proprietary software 54 276 — 11%
- Services 367 042 — 72%

Center: 505 441

H1 2014

- Third party software 20 609 — 5%
- Hardware 7 742 — 2%
- Other 18 456 — 4%
- Proprietary software 46 180 — 11%
- Services 336 690 — 78%

Center: 429 677
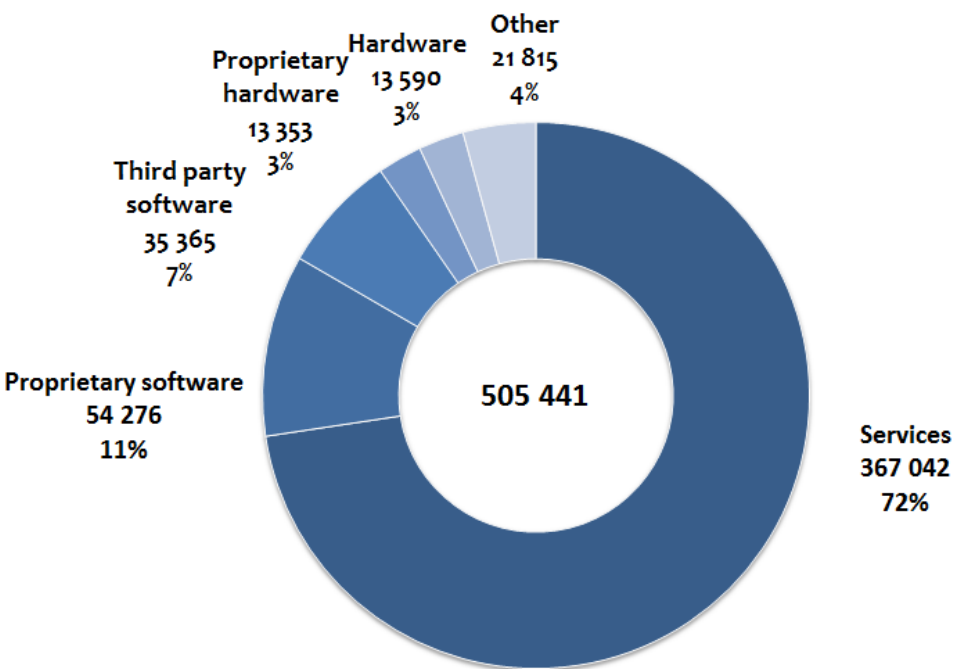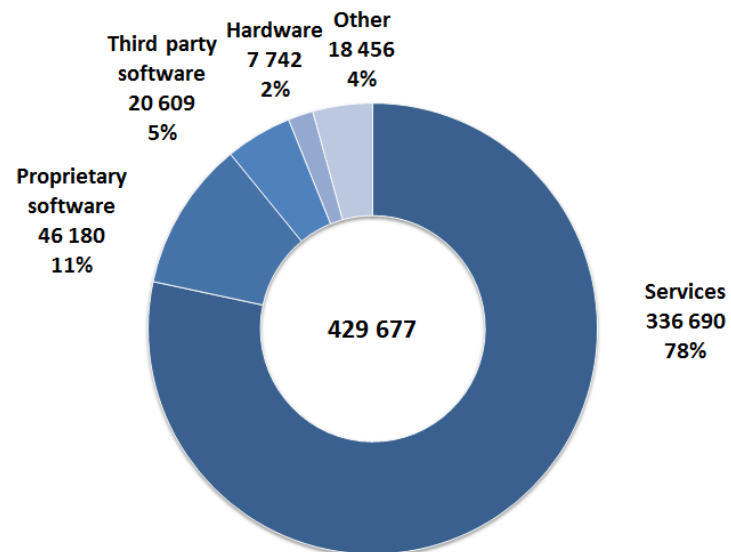
In thousands of PLN

Products Sales Structure H1 2015

Comarch Group	H1 2015	%	H1 2014	%
Services	367 042	72,6%	336 690	78,4%
Proprietary software	54 276	10,7%	46 180	10,7%
Third party software	35 365	7,0%	20 609	4,8%
Proprietary hardware	13 353	2,7%	0	0,0%
Hardware	13 590	2,7%	7 742	1,8%
Other	21 815	4,3%	18 456	4,3%
Total	**505 441**	**100,0%**	**429 677**	**100,0%**

In thousands of PLN

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Geographical Sales Structure H1 2015

Sales Structure H1 2015 vs H1 2014

H1 2015	Export; 50,7% / Domestic; 49,3%
H1 2014	Export; 50,3% / Domestic; 49,7%

0%   20%   40%   60%   80%   100%

Geographical Sales Structure H1 2015

H1 2015

Poland
249 208

505 441

Others
147 949

DACH
108 284

H1 2014

Poland
213 444

429 677

Others
119 044

DACH
97 189
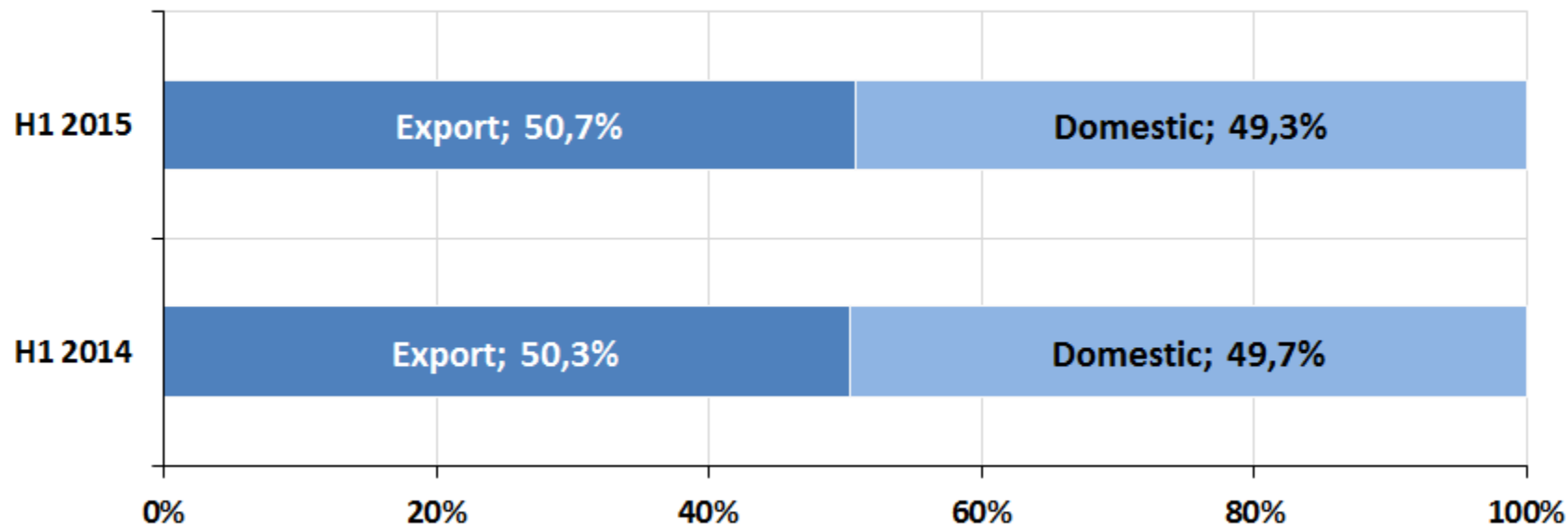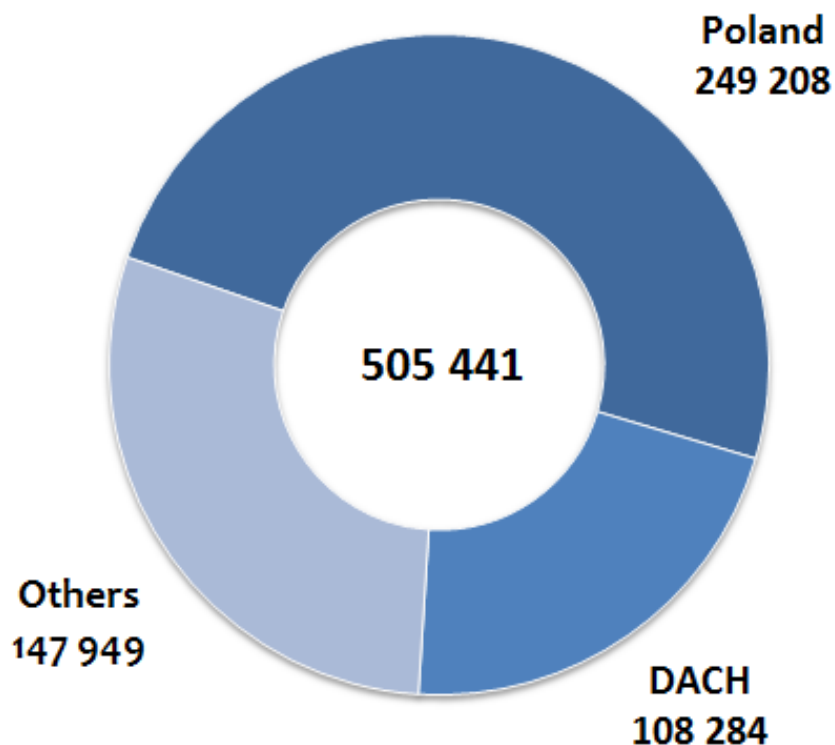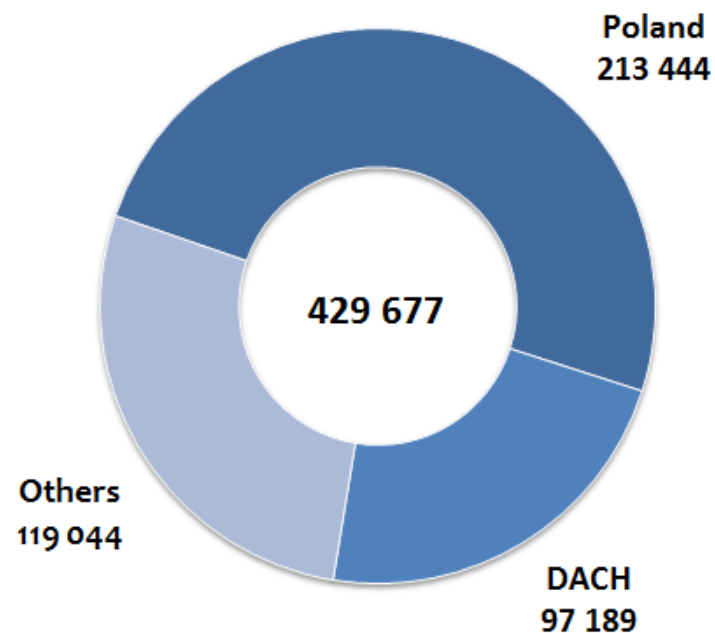
In thousands of PLN

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- **Human Resources**

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Employment in Comarch Group
(excluding employees in MKS Cracovia SSA)

Human Resources

Chart data (As of the end of year, excluding MKS Cracovia SSA):
- 2005: 1857
- 2006: 2464
- 2007: 2853
- 2008: 3316
- 2009: 3260
- 2010: 3462
- 2011: 3446
- 2012: 3759
- 2013: 4222
- 2014: 4211
- H1 2015: 4386

■ As of the end of year (excluding MKS Cracovia SSA)
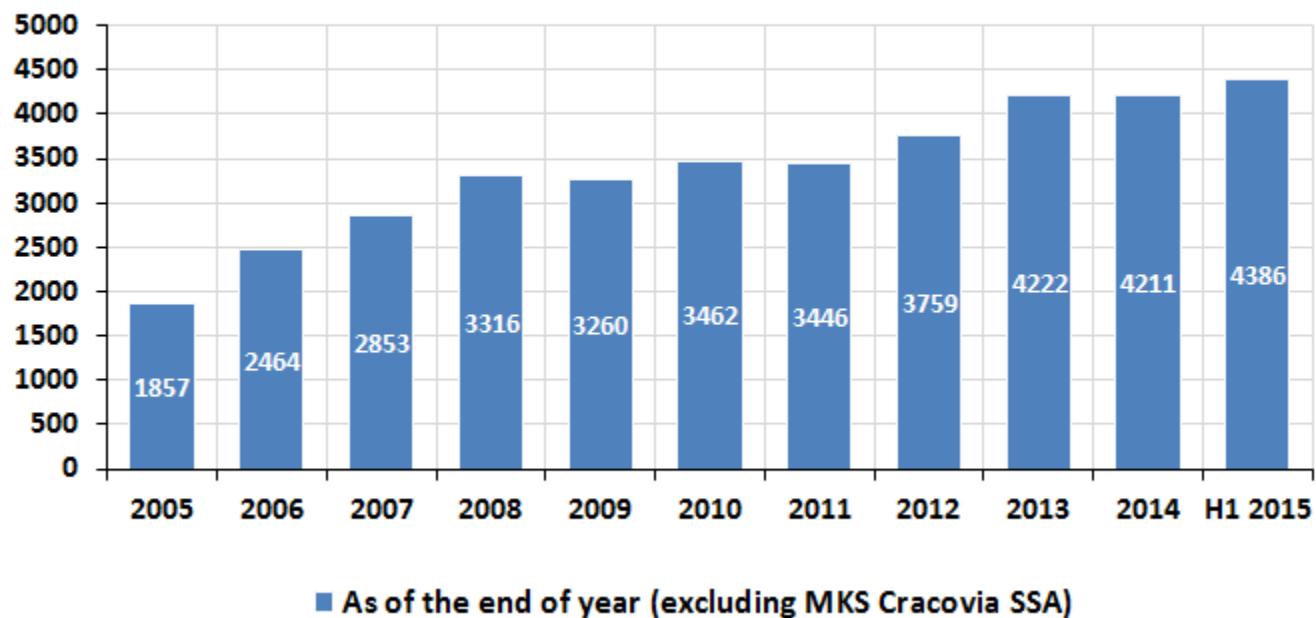
Employment Level

- The number of employees in H1 was increased according to the plan

- As of **30 June 2015,** Comarch Group had 4,386 employees (excluding those hired by MKS Cracovia SSA), i.e. 175 persons more than as of 31 December 2014 (an increase of 4.2%)

- Continuous pressure on an increase in remuneration in IT sector

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Investment in 2015

- Acquisition of shares in Thanks Again LLC, USA (Q3)

- Continuous high expenditures for R&D, especially within the frame of e-Health, precision marketing

- Completion of SEZ6 investment in Krakow (Q3)

- Commencement of the investment involving the construction of an office building in Lódź (Q2)

- Preparatory and design works related to SEZ7 investment in Krakow and CDC investment in Lille are pending (Q3-Q4)

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H1 2015 Summary

- Growth in sales on foreign markets (of 18.5%) and on domestic market (of 16.8%)

- Sales of own software increased by 9% and proprietary software by 17,5%. Sales of proprietary hardware amounted to PLN 13.4 million in H1 2015, the year earlier Comarch Group had not provided such type of sales

- An increase of operating costs had been slower than the growth in revenues, and as a consequence there was an improvement of profit margin on core activity and an increase in EBITDA

- The high increase in the value of new contracts in the Trade and Services sector, the significant slowdown in the Public sector

- Employment level higher by 4.2% than that as of the end of 2014

- Expansion to new markets (Italy, Malaysia, Sweden)

Plans for 2015

- Backlog's value as of H2 2015 is lower compared to the previous year

- Continuous development of foreign activity, especially in South America

- The commercialization of e-Health solutions

- Possible new investments in the area of operator services related to the loyalty systems

- Business development of Comarch's branches outside Krakow

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Thank you