



Financial results Q4 and Q1-Q4 2017

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

2nd of March, 2018, Warsaw

Agenda

- **Financial Results**
- **Cash and Debt**
- **Sales Structure**
- **Human Resources**
- **Investments**
- **Summary**

Agenda

- **Financial Results**
- Cash and Debt
- Sales Structure
- Human Resources
- Investments
- Summary

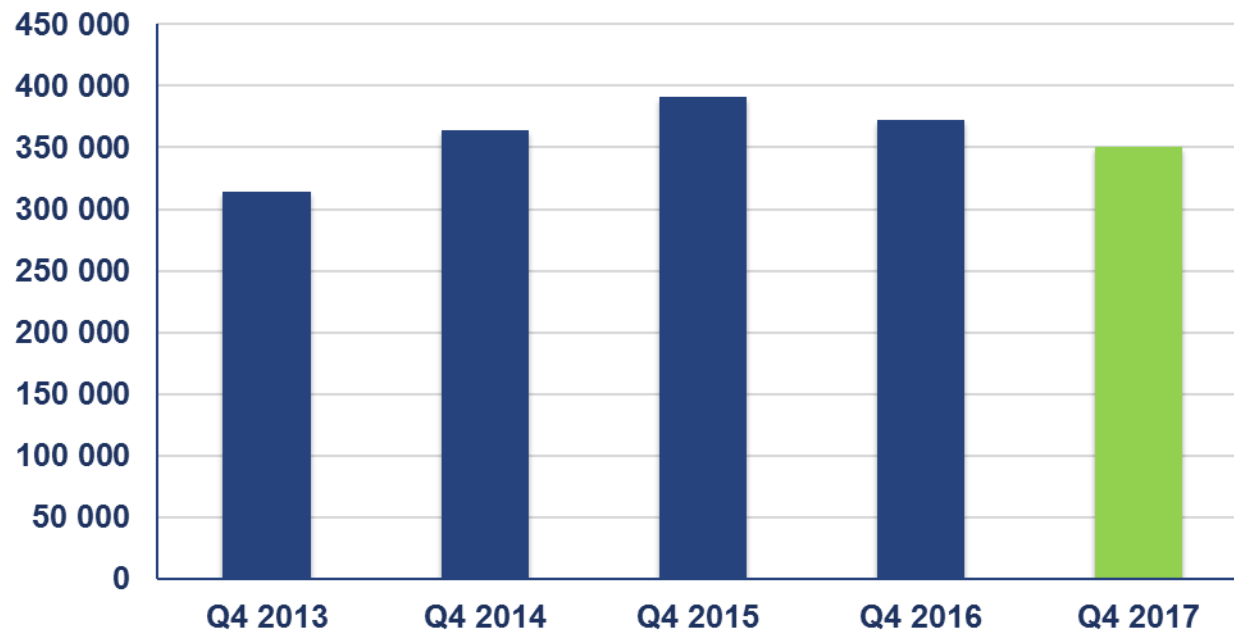
Consolidated Financial Results Q4 2017

Comarch Group	Q4 2017	Q4 2016
Revenue	350 019	372 423
Operating profit	31 613	71 198
Net profit attributable to the Company's shareholders	35 858	51 997

In PLN thou.

COMARCH

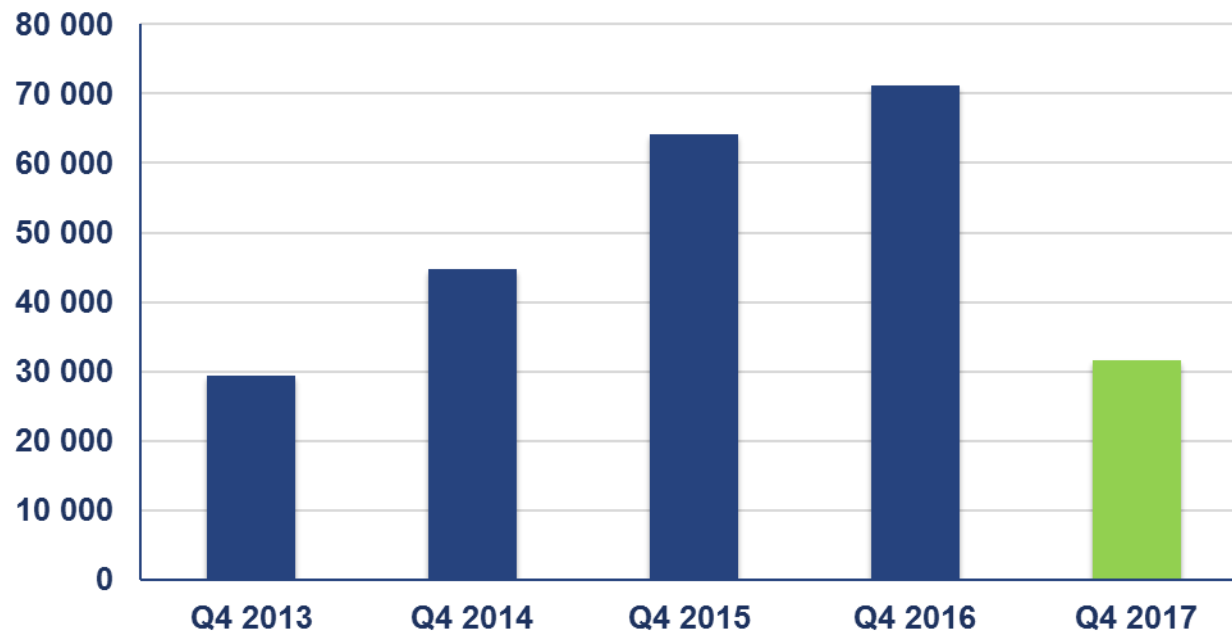
Sales Revenue Q4 2017 (Comarch Group)



In PLN thou.

COMARCH

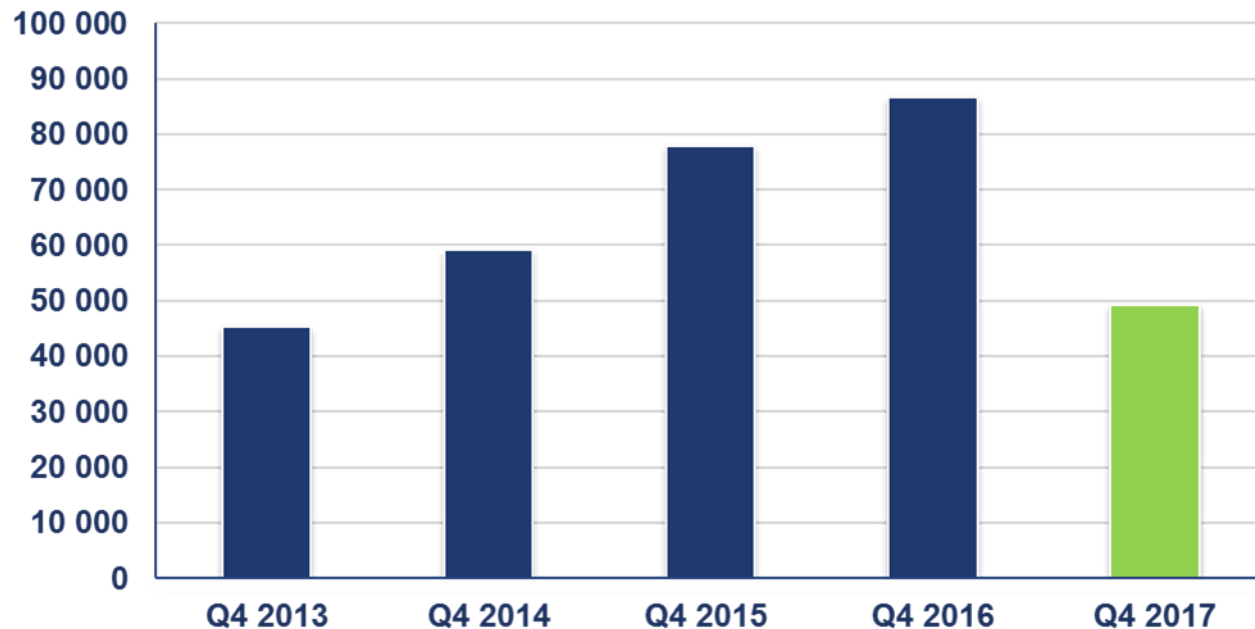
Operating Profit Q4 2017 (Comarch Group)



In PLN thou.

COMARCH

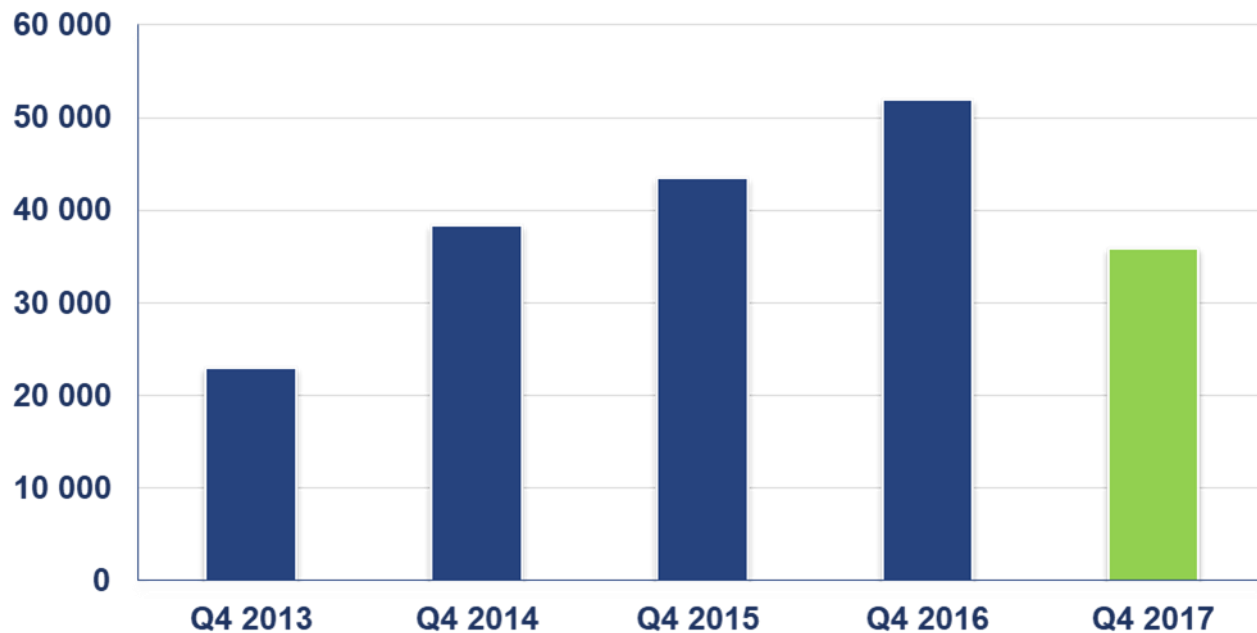
EBITDA Q4 2017 (Comarch Group)



In PLN thou.

COMARCH

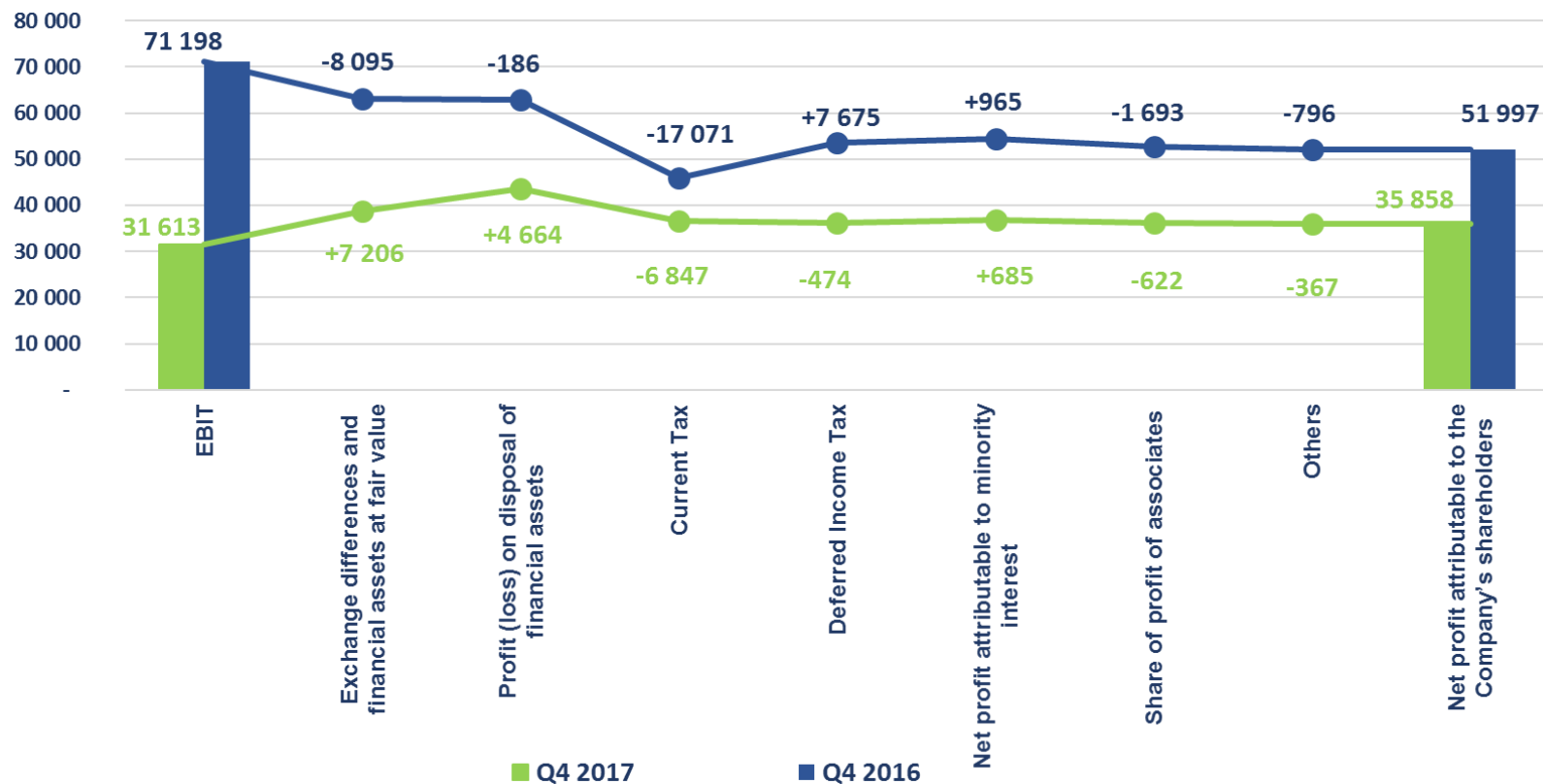
Net profit Q4 2017 (Comarch Group)



In PLN thou.

COMARCH

EBIT vs. Net Profit Q4 2017 (Comarch Group)



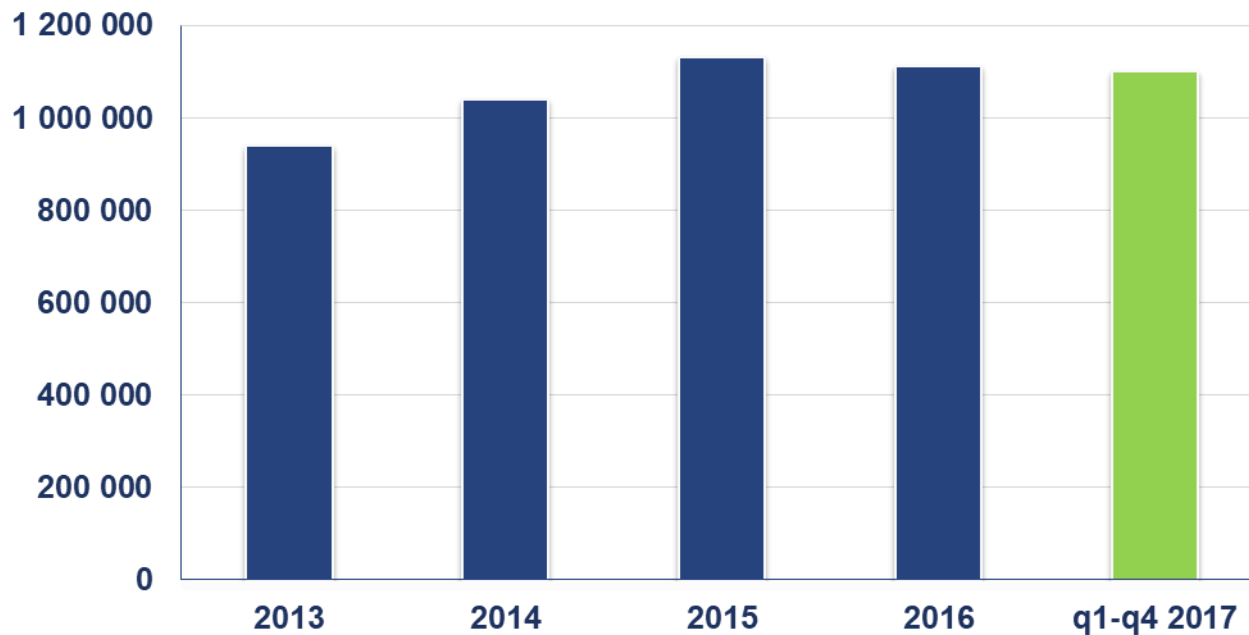
In PLN thou.

COMARCH

Consolidated Financial Results Q1-Q4 2017

Comarch Group	Q1-Q4 2017	2016
Revenue	1 101 588	1 112 813
Operating profit	34 466	116 893
Net profit attributable to the Company's shareholders	43 087	73 034

Sales Revenue Q1-Q4 2017 (Comarch Group)

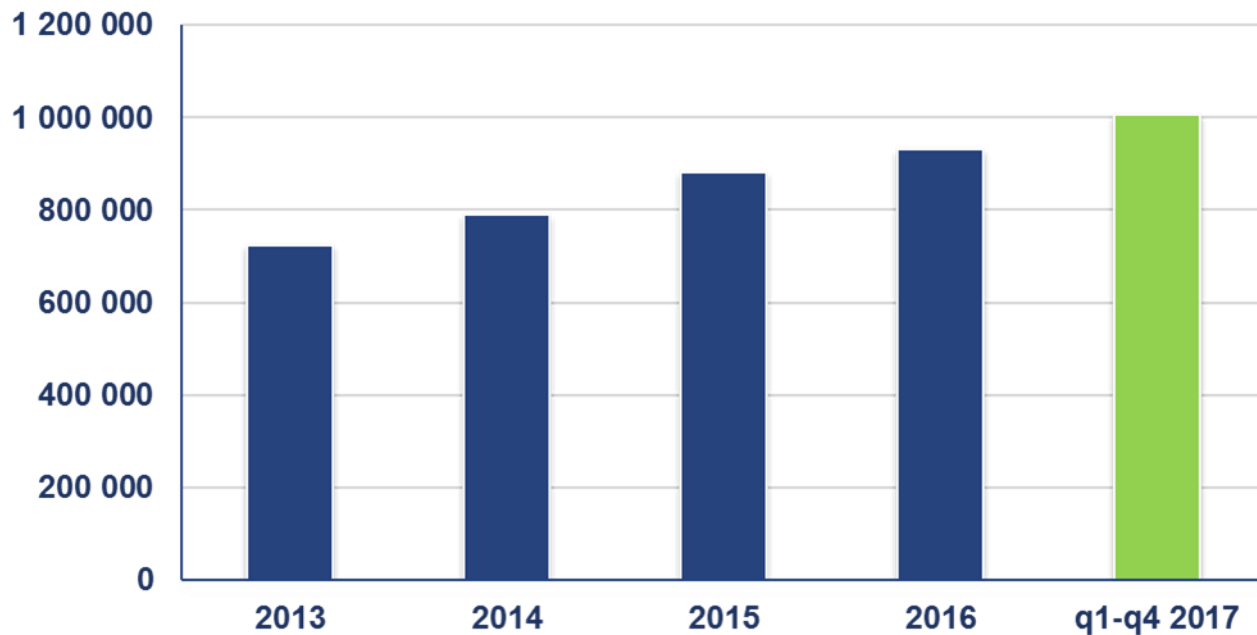


In PLN thou.

COMARCH

Basic Business Activity Costs Q1-Q4 2017 (Comarch Group)

Basic business activity costs increased in 2017 by approx. 8%

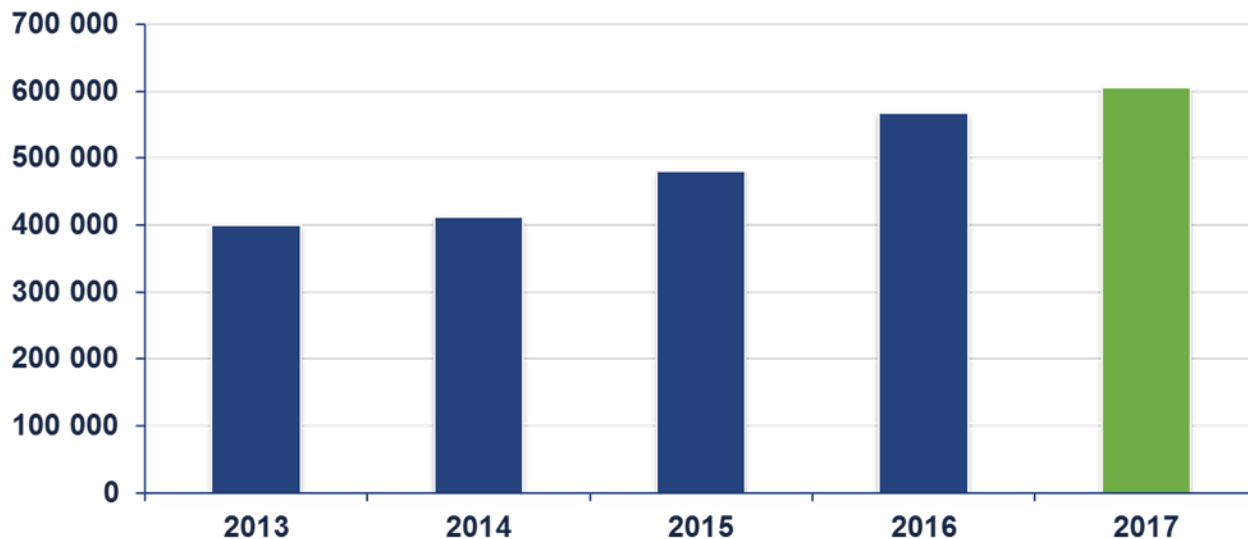


In PLN thou.

COMARCH

Remuneration costs Q1-Q4 2017 (Comarch Group)

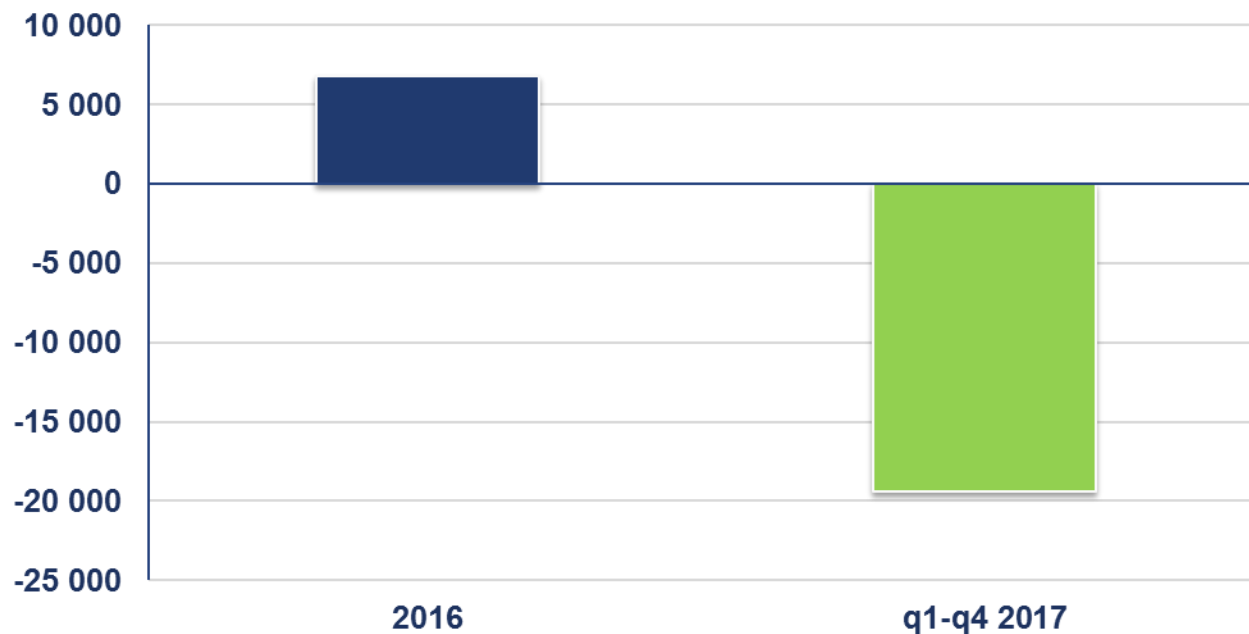
Remuneration remains the largest component of costs – in 2017 they increased by 6.6%



In PLN thou.

Impact of the Exchange Rate Differences on the Operating Results

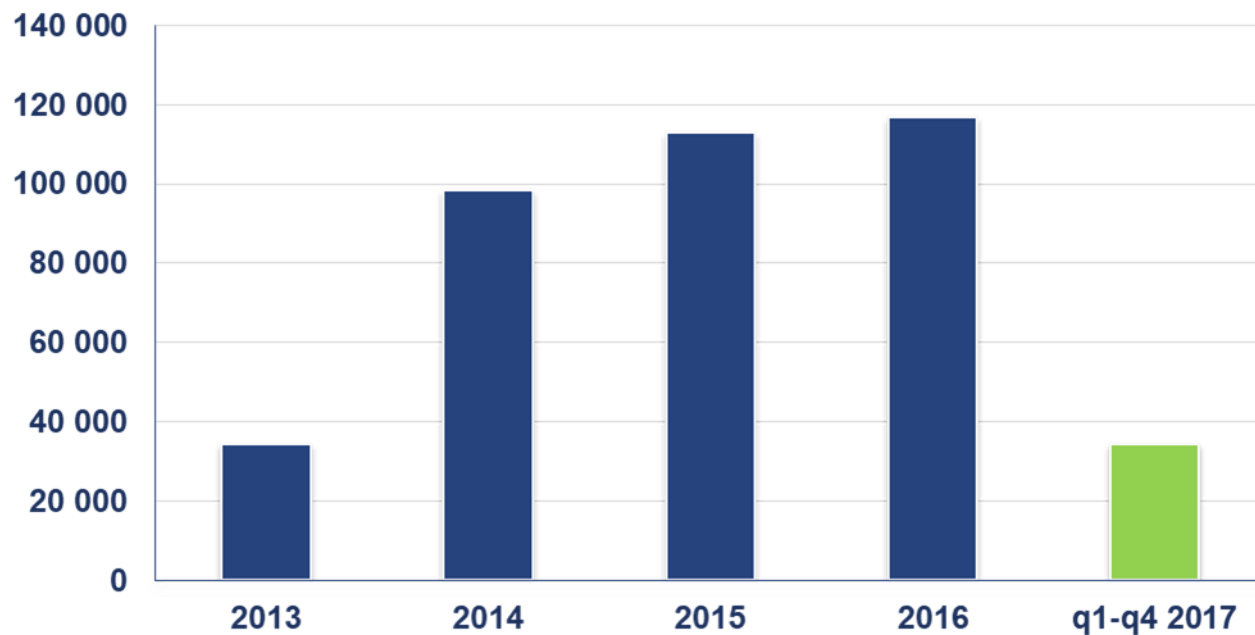
Q1-Q4 2017 (Comarch Group)



In PLN thou.

COMARCH

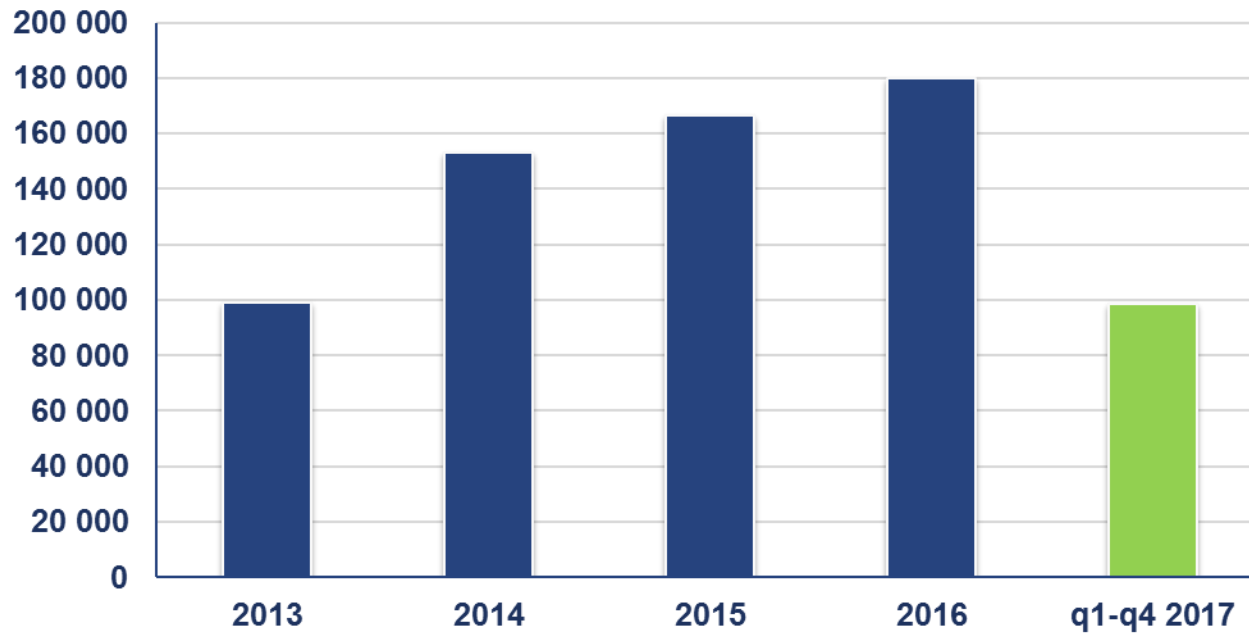
Operating Profit Q1-Q4 2017 (Comarch Group)



In PLN thou.

COMARCH

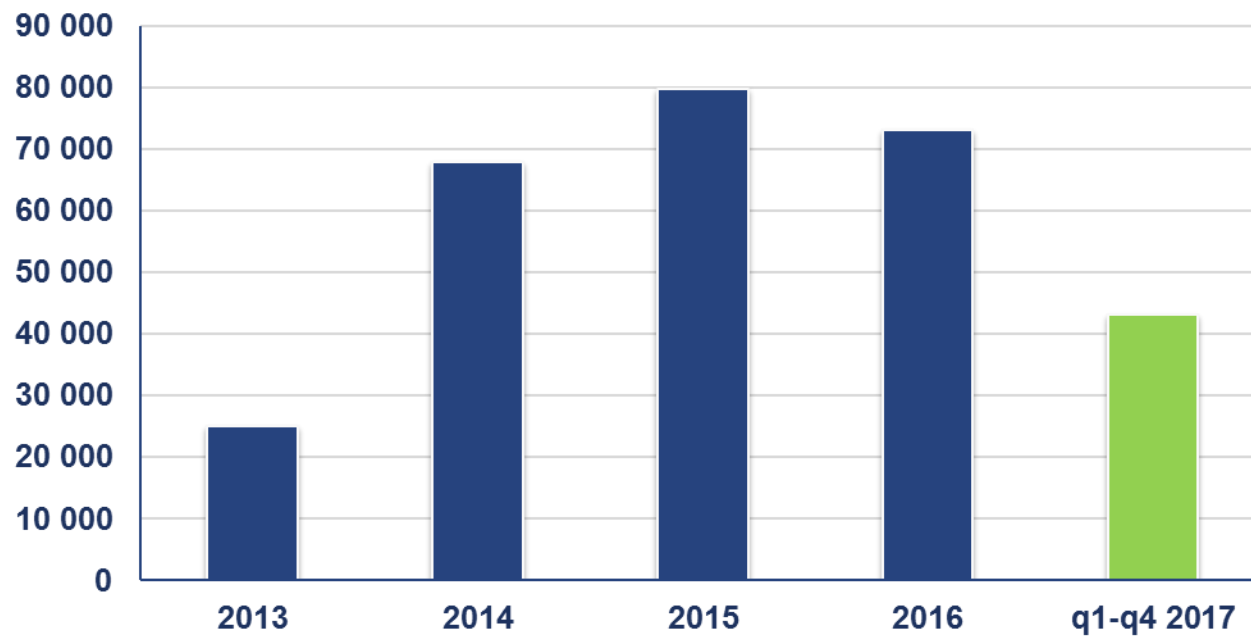
EBITDA Q1-Q4 2017 (Comarch Group)



In PLN thou.

COMARCH

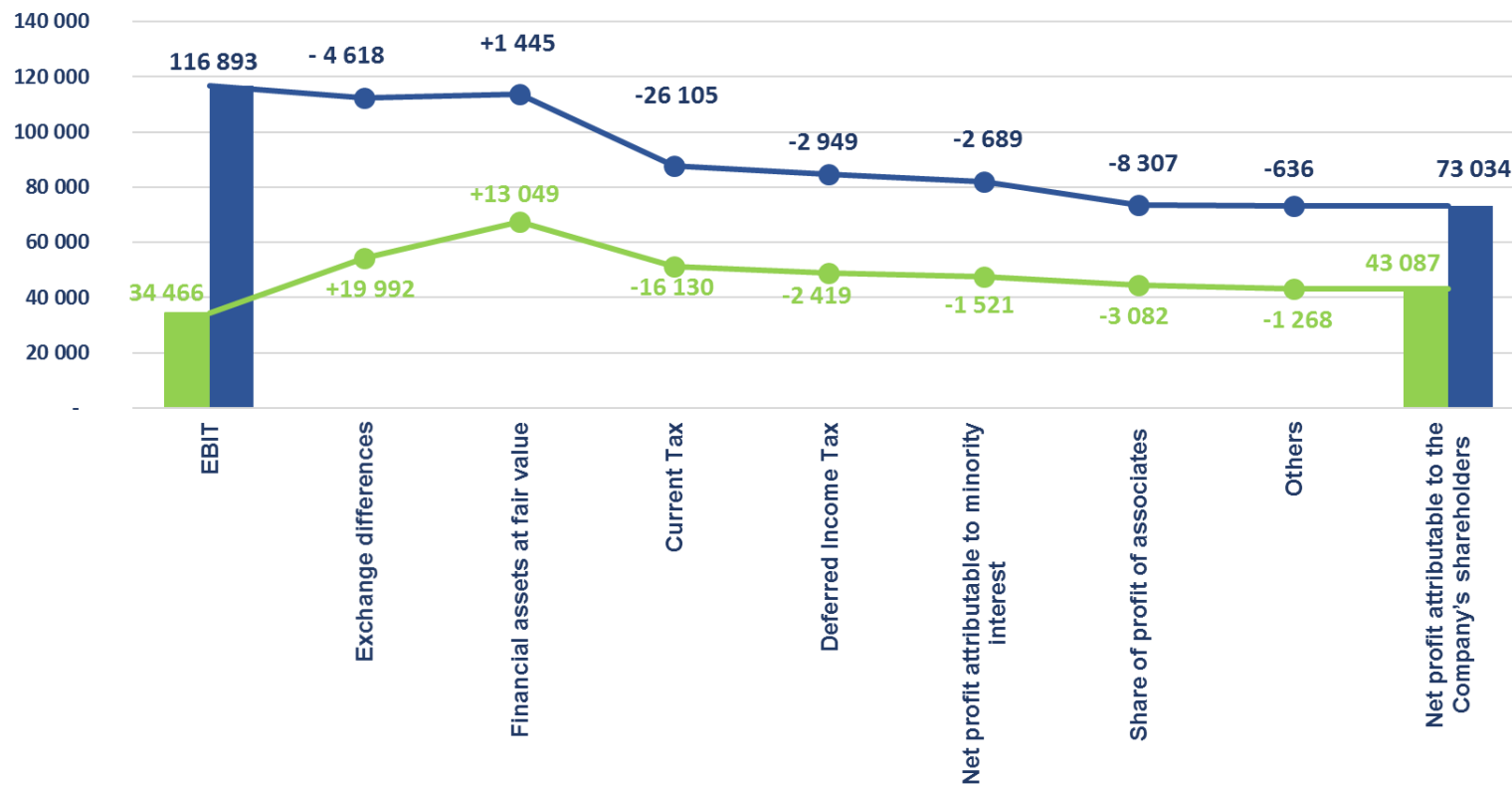
Net profit Q1-Q4 2017 (Comarch Group)



In PLN thou.

COMARCH

EBIT vs. Net Profit Q1-Q4 2017 (Comarch Group)



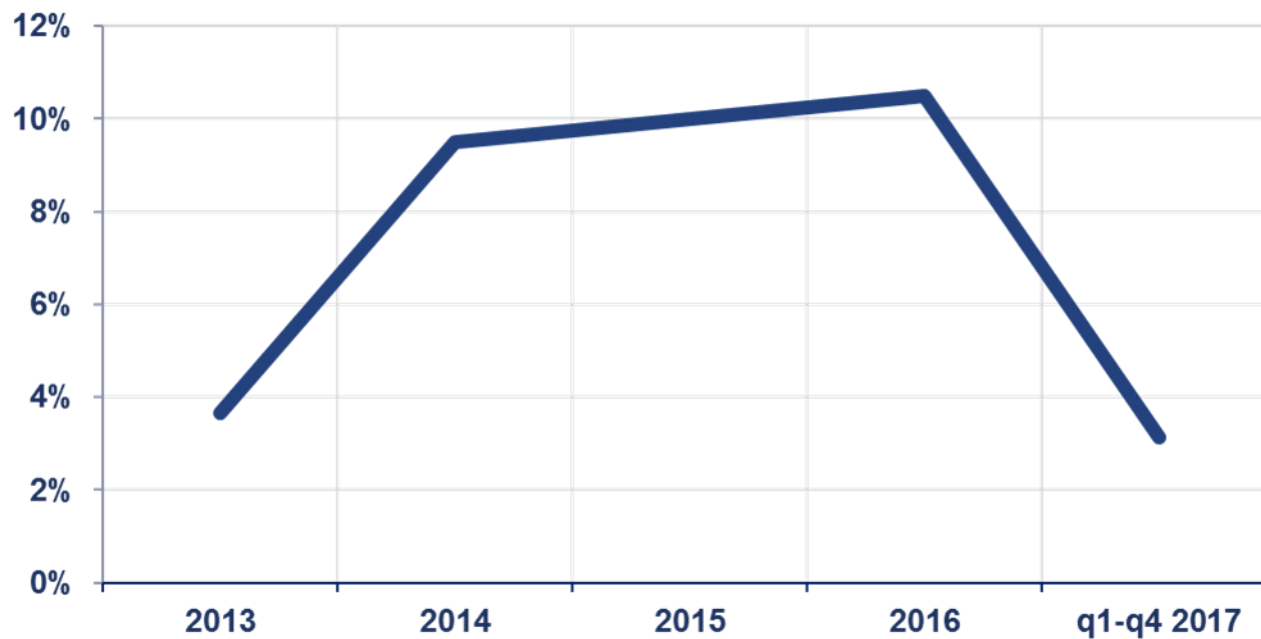
In PLN thou.

■ Q1-Q4 2017

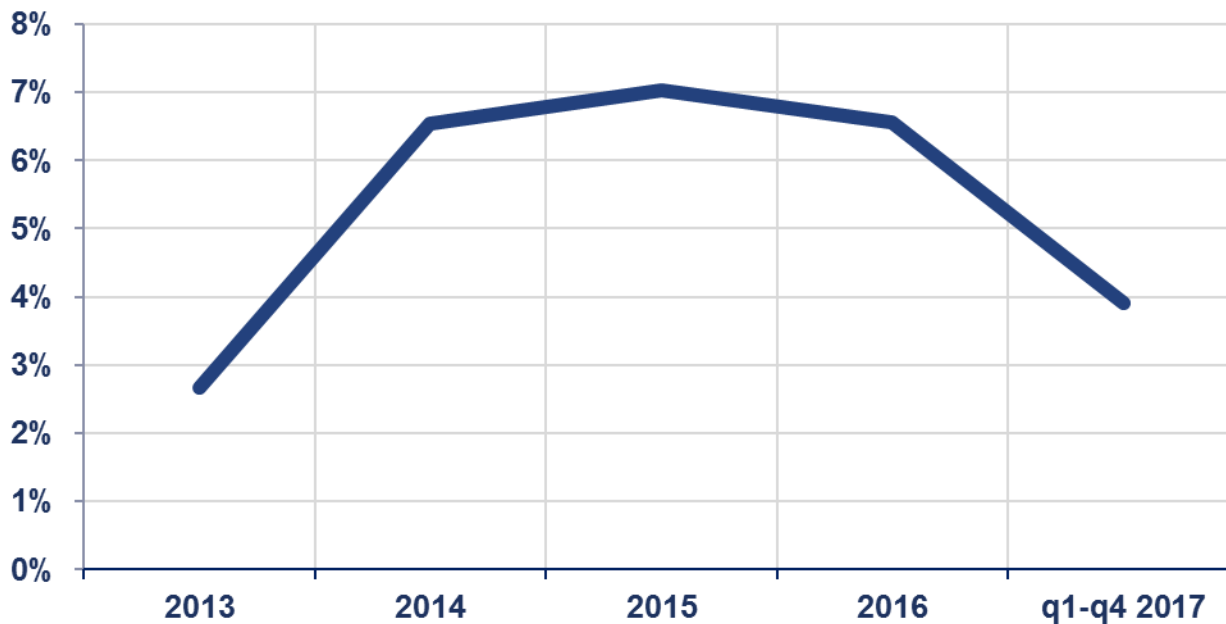
■ 2016

COMARCH

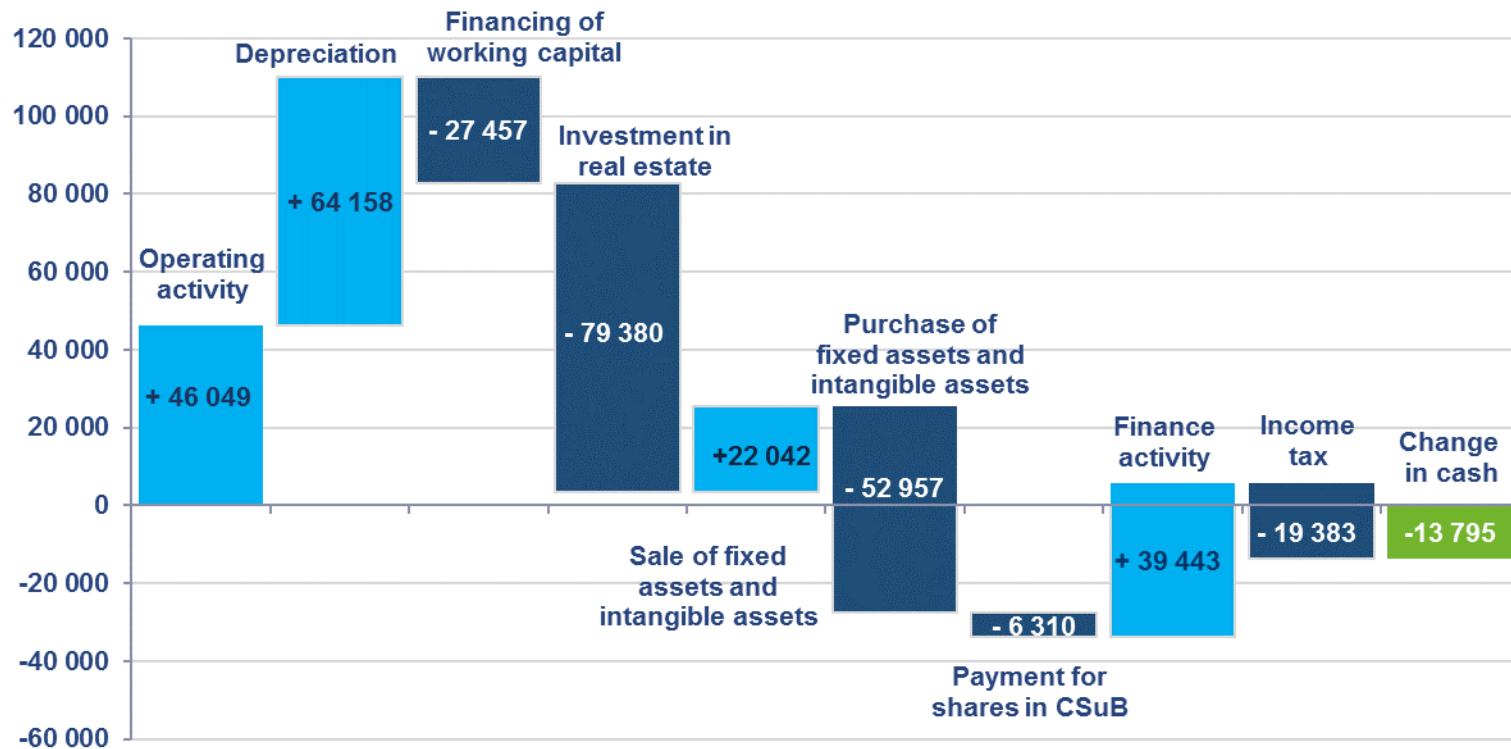
EBIT Margin Q1-Q4 2017 (Comarch Group)



Net Margin Q1-Q4 2017 (Comarch Group)



Cash Flow Q1-Q4 2017 (Comarch Group)

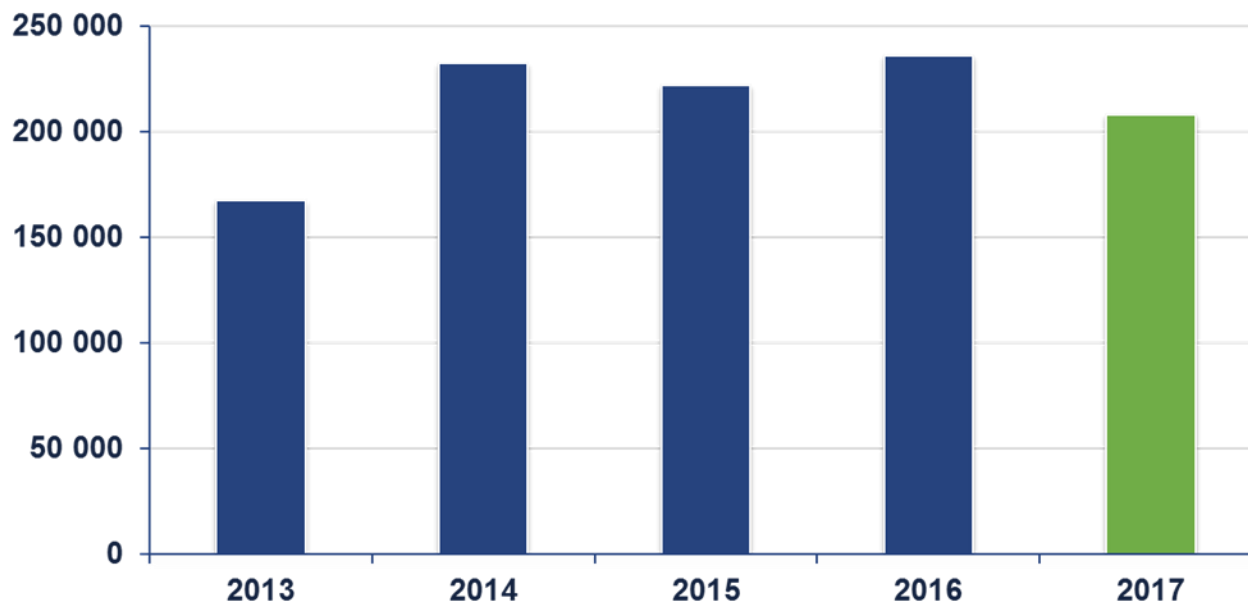


In PLN thou.

Agenda

- Financial Results
- **Cash and Debt**
- Sales Structure
- Human Resources
- Investments
- Summary

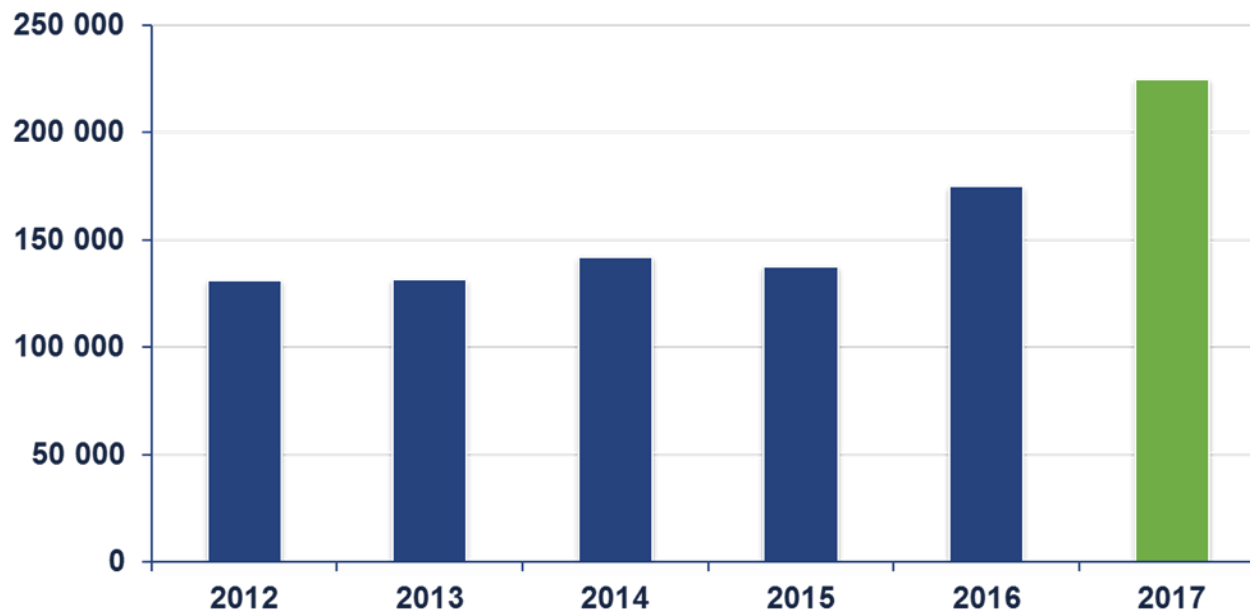
Cash at the End of the Year 2013 – 2017 (Comarch Group)



In PLN thou.

COMARCH

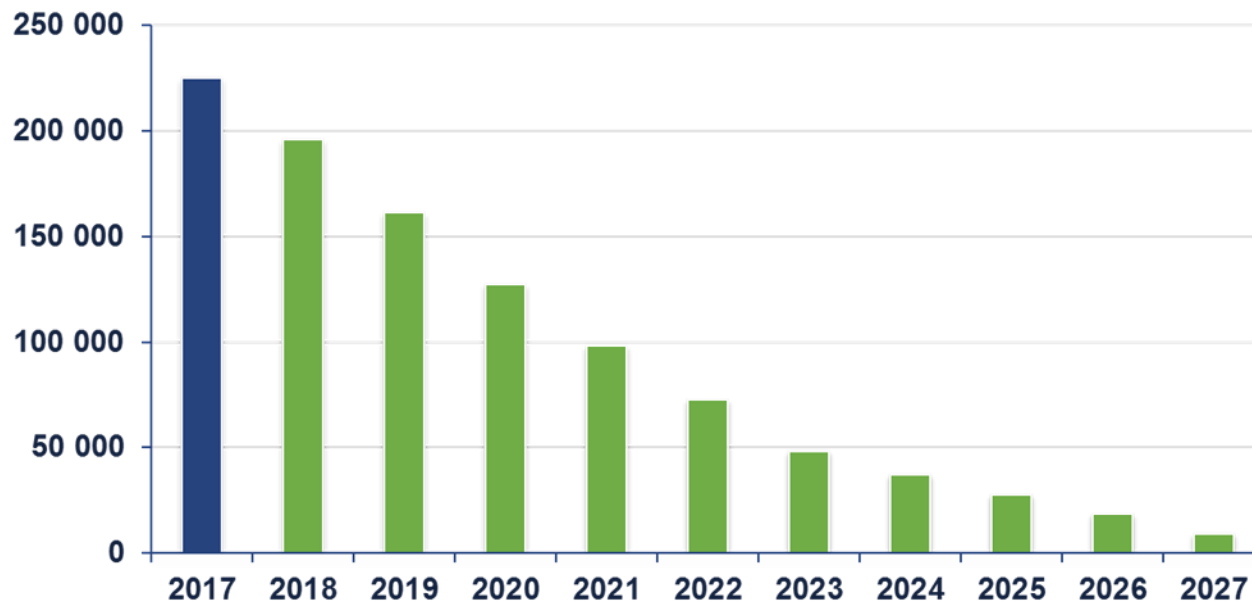
Credits and Loans Debt 2013 – 2017 (Comarch Group)



In PLN thou.

COMARCH

Debt level forecast 2018 – 2027 (Comarch Group)



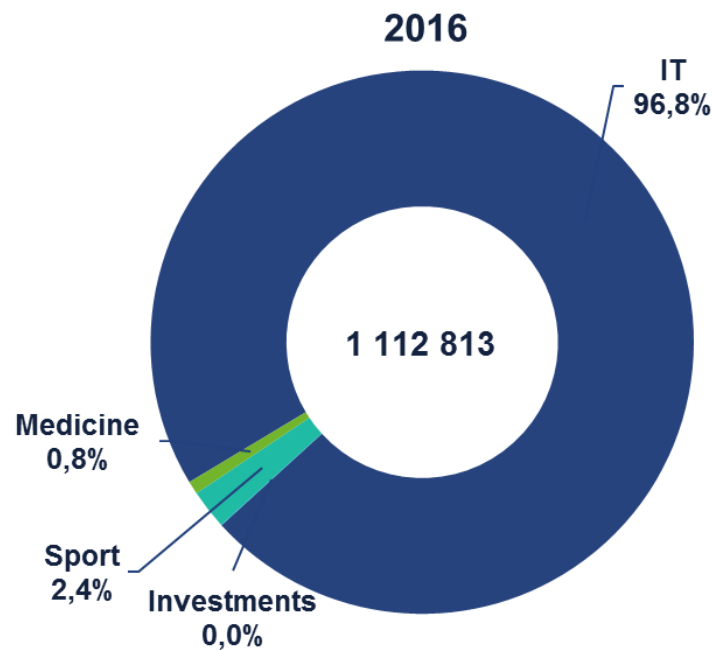
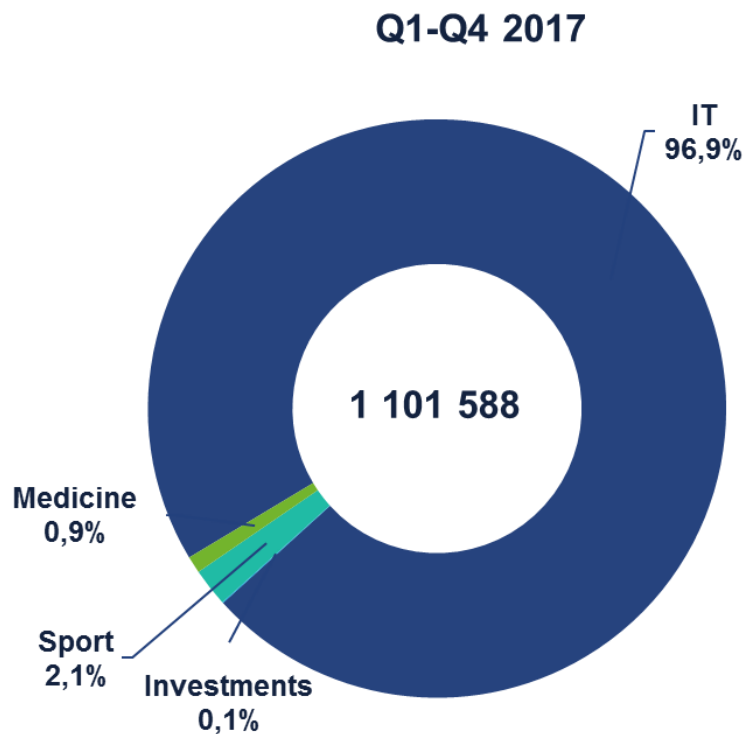
In PLN thou.

COMARCH

Agenda

- Financial Results
- Cash and Debt
- **Sales Structure**
- Human Resources
- Investments
- Summary

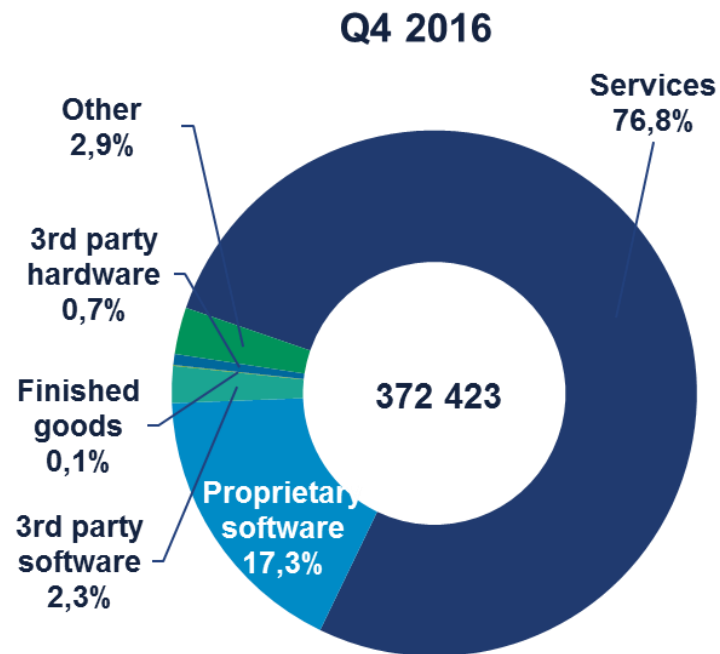
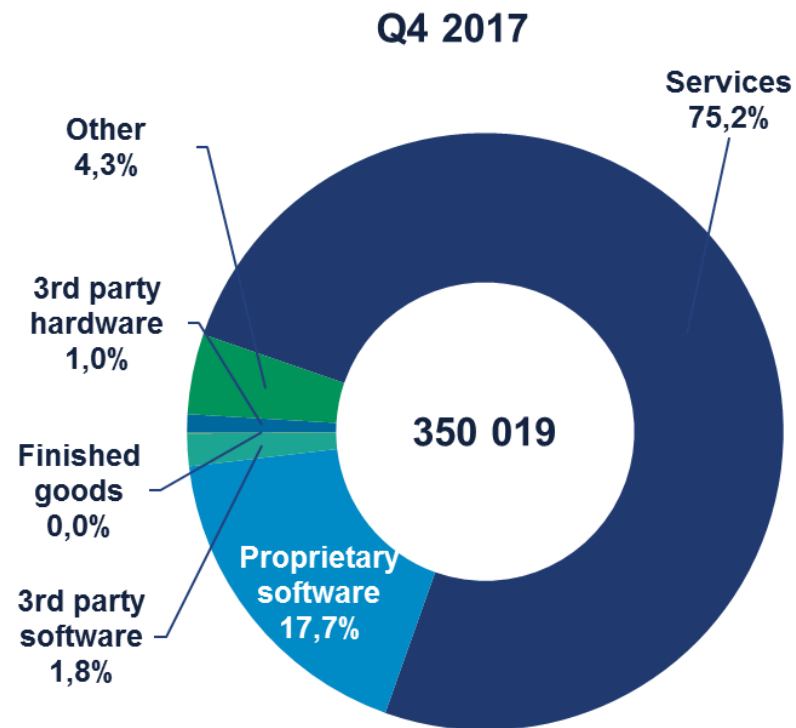
Market Sales Structure Q1-Q4 2017



In PLN thou.

COMARCH

Products Sales Structure Q4 2017

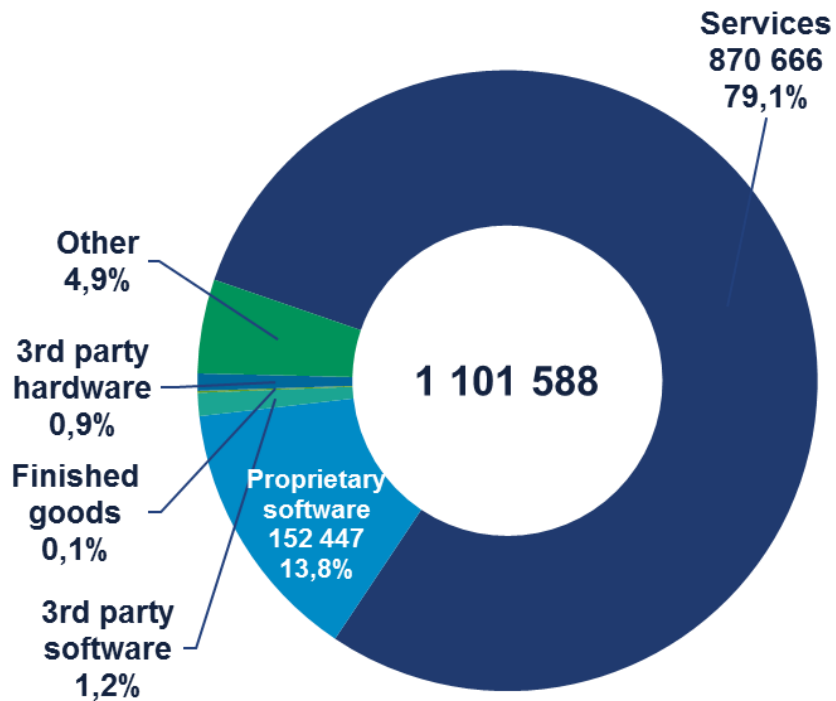


In PLN thou.

COMARCH

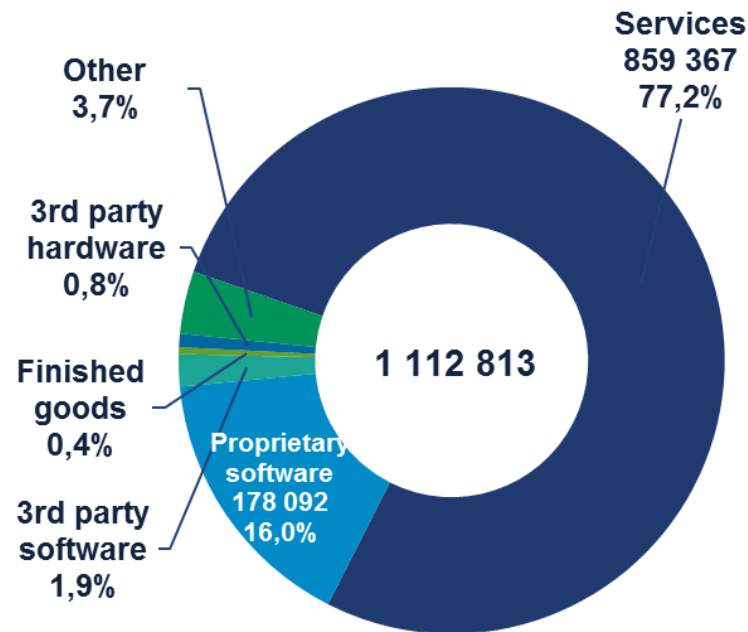
Products Sales Structure Q1-Q4 2017

Q1-Q4 2017



In PLN thou.

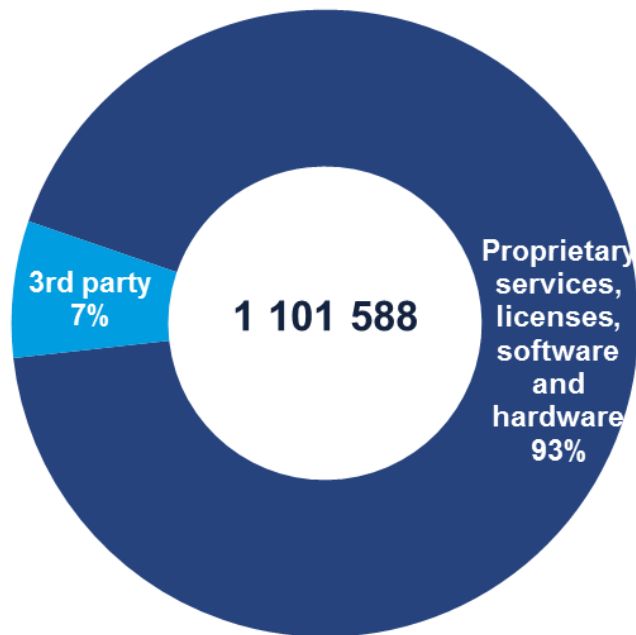
2016



COMARCH

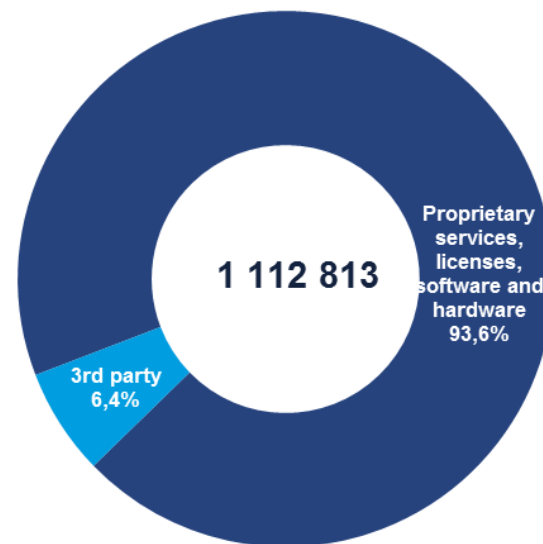
Products Sales Structure Q1-Q4 2017

Q1-Q4 2017



In PLN thou.

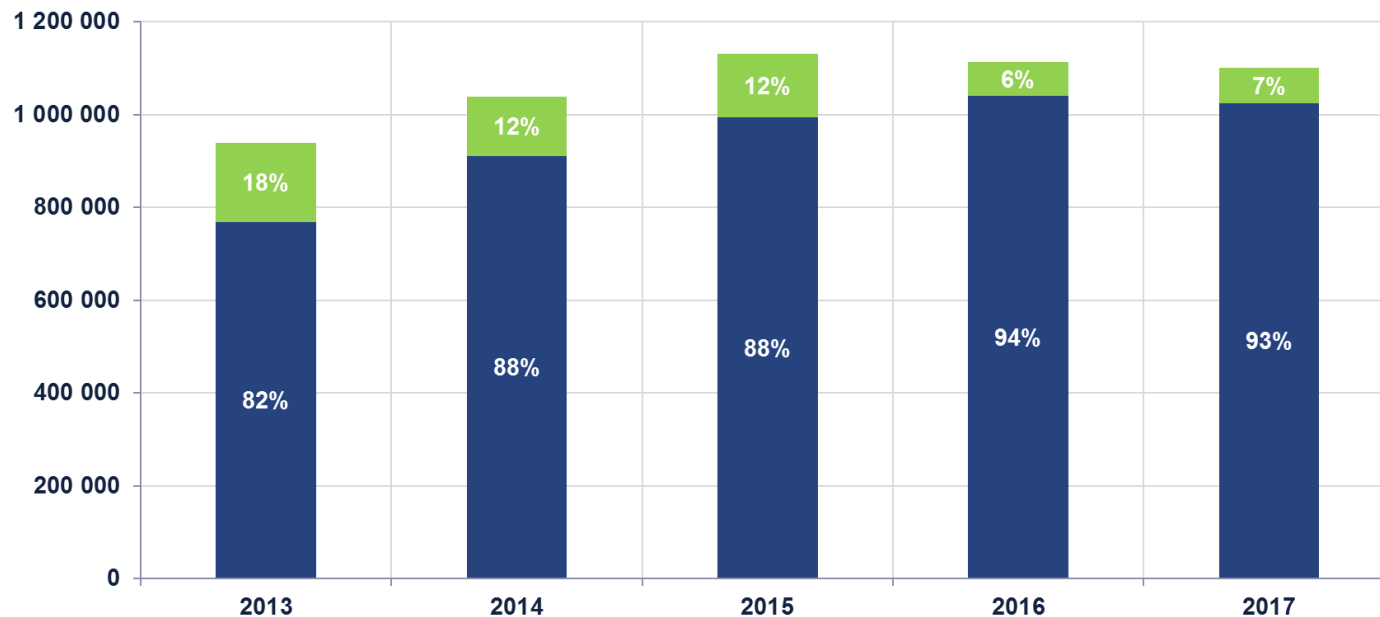
2016



COMARCH

Products Sales Structure 2013 – 2017

We have achieved a very high share of sales with high-value-added

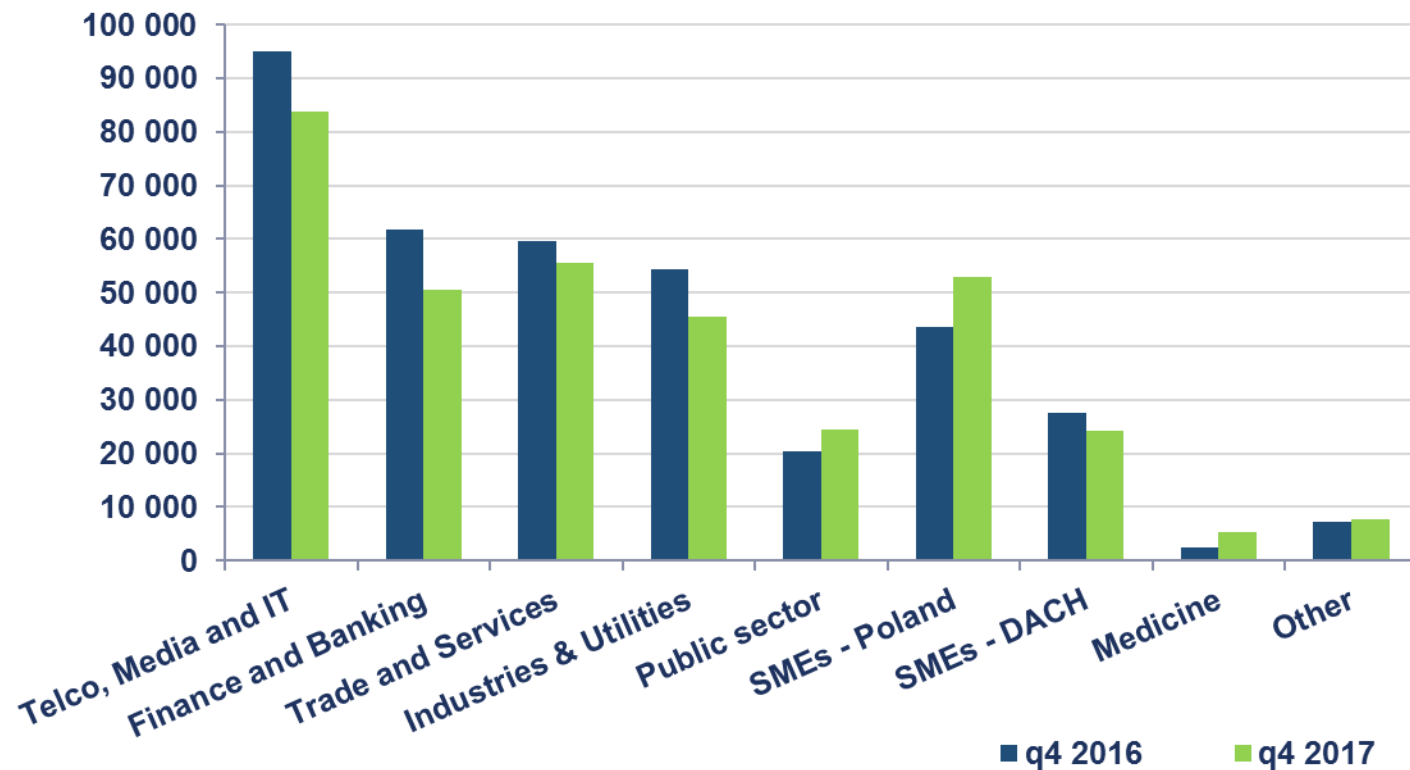


In PLN thou.

■ 3rd party ■ Proprietary services, licenses, software and hardware

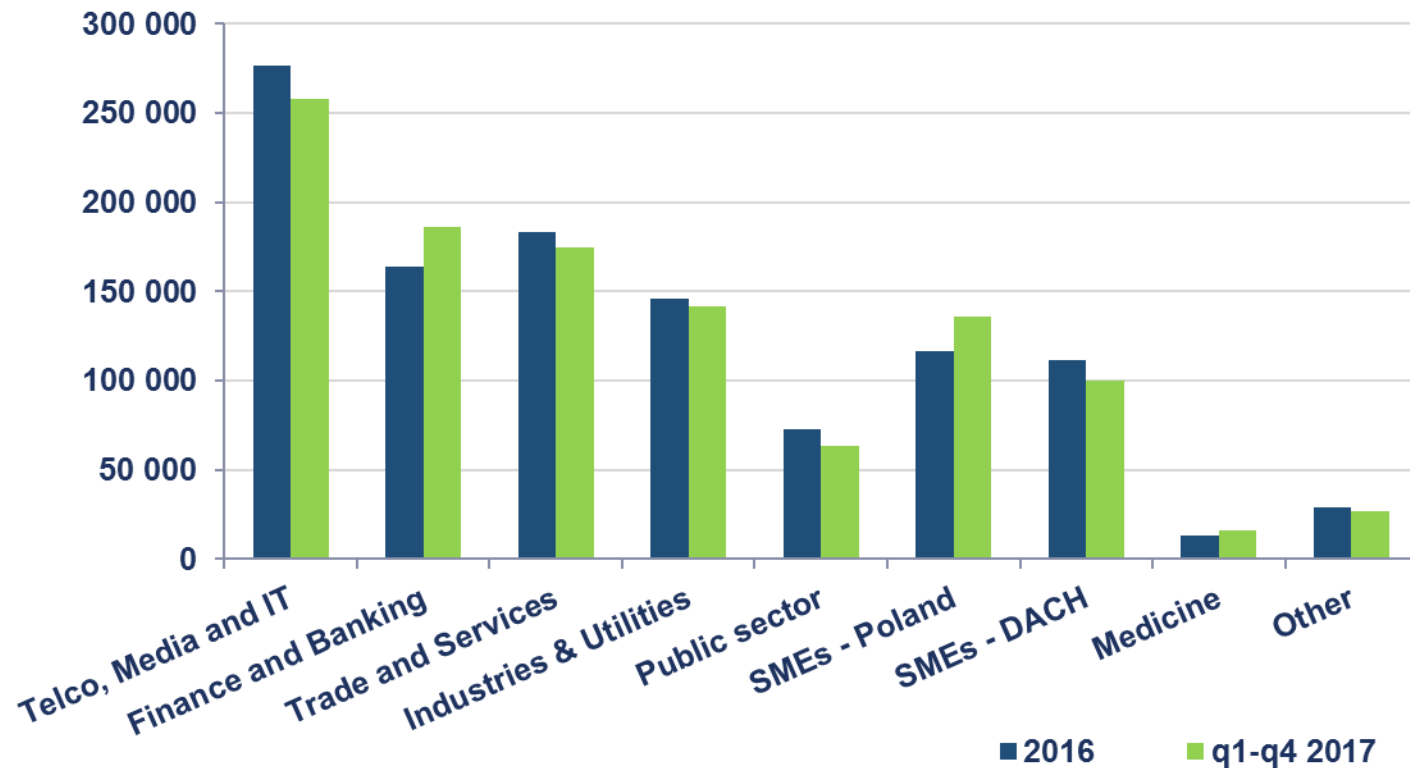
COMARCH

Market Sales Structure Q4 2017



In PLN thou.

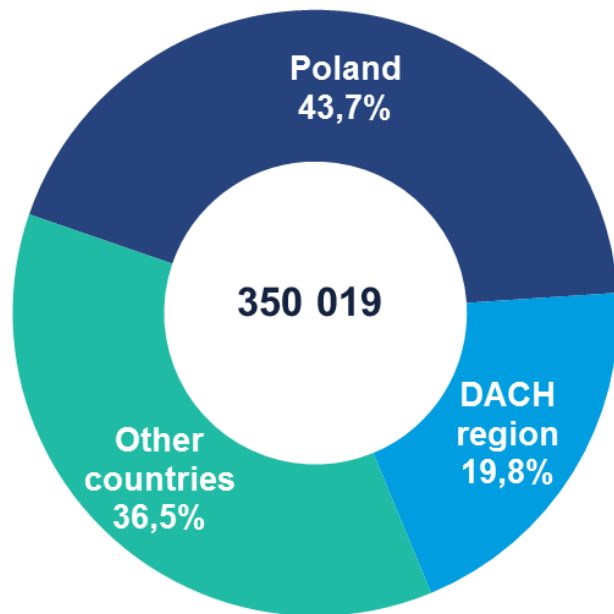
Market Sales Structure Q1-Q4 2017



In PLN thou.

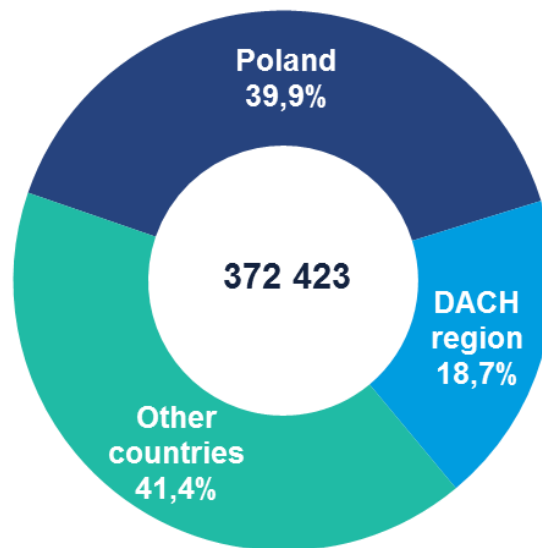
Geographical Sales Structure Q4 2017

Q4 2017



In PLN thou.

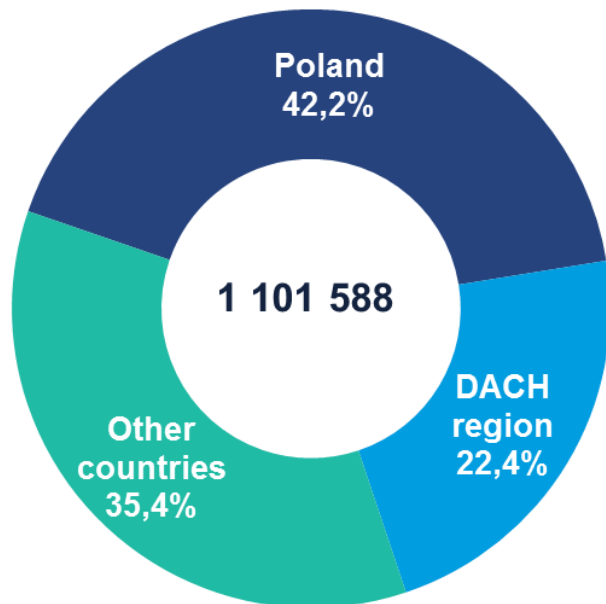
Q4 2016



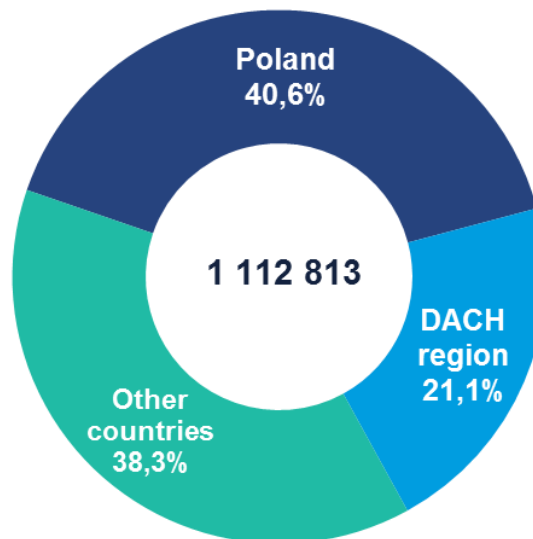
COMARCH

Geographical Sales Structure Q1-Q4 2017

Q1-Q4 2017

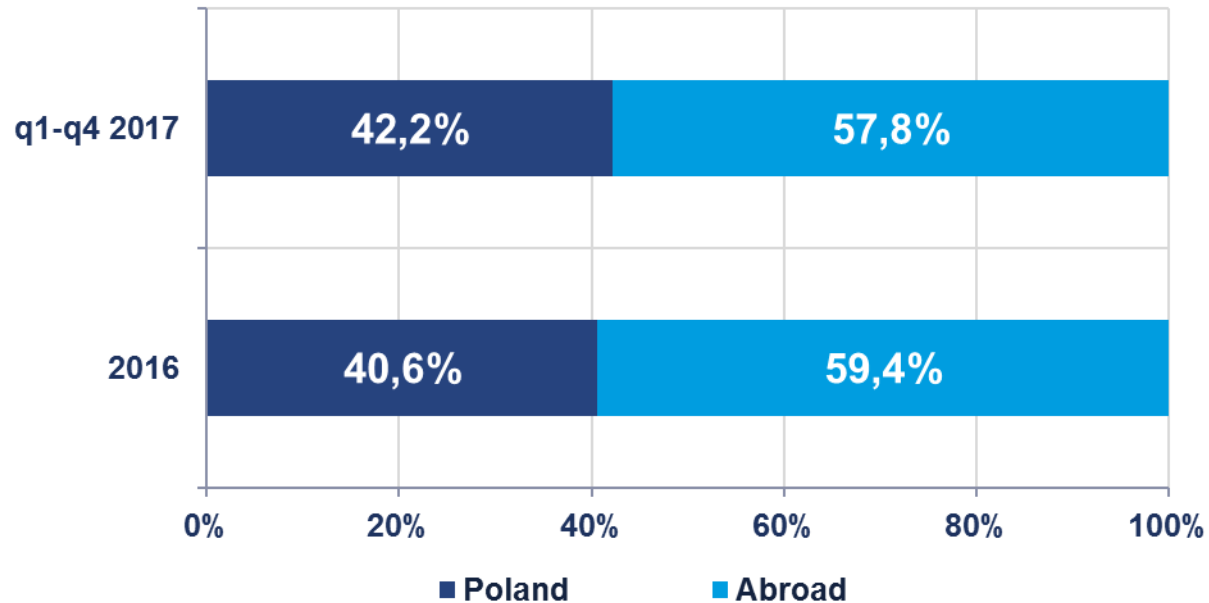


2016



In PLN thou.

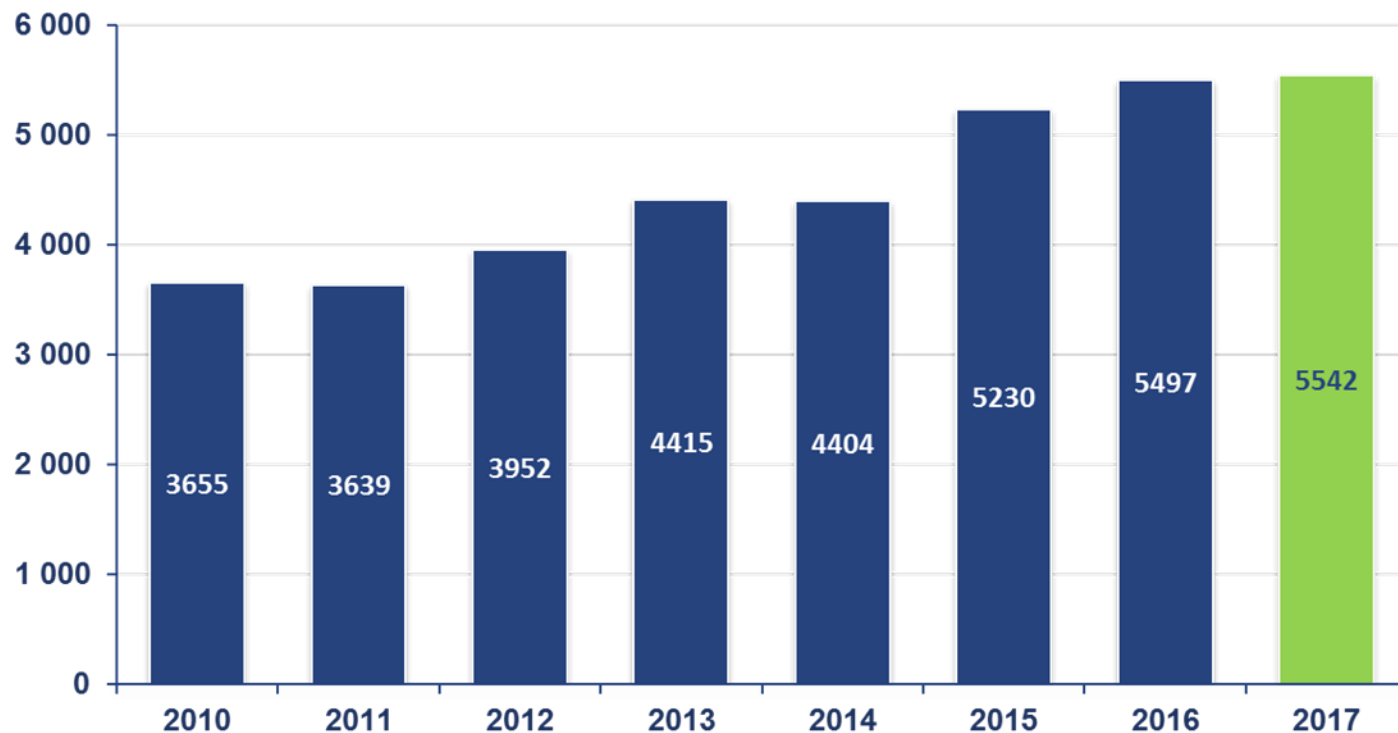
Geographical Sales Structure Q1-Q4 2017



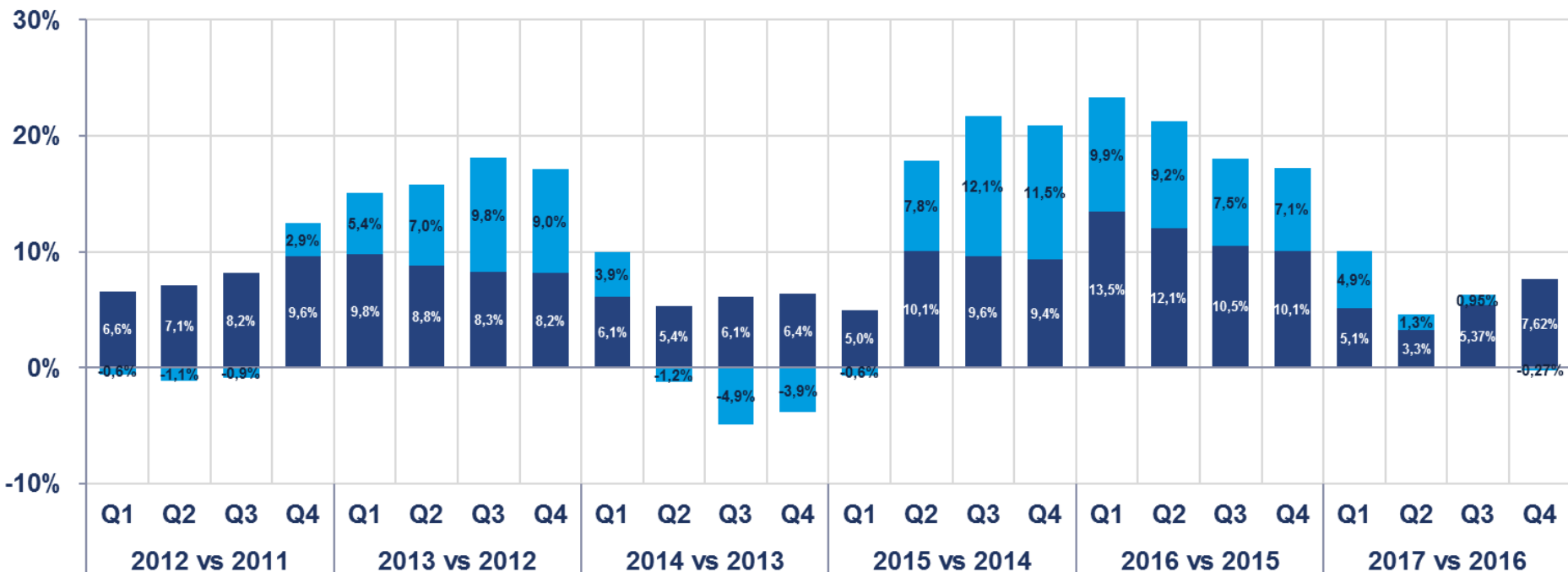
Agenda

- Financial Results
- Cash and Debt
- Sales Structure
- **Human Resources**
- Investments
- Summary

Employment in Comarch Group



Change in Salary Fund in Comarch S.A.



■ Change in the salary fund due to wage increases

■ Change in the salary fund due to changes in headcount

Employment

- The number of employees in 2017 increased by 45 persons, due mainly to the execution of the Summer Student Internship Program
- The fund of basic salaries in the reporting period was 6,6% higher than in 2016

Agenda

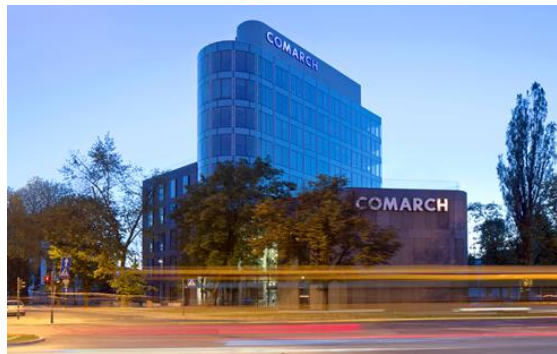
- Financial Results
- Cash and Debt
- Sales Structure
- Human Resources
- **Investments**
- Summary

R&D Projects in 2017

- e-Health, among others, Telemedicine, City of Health
- Smart City
- Internet of Things
- Security & Defence
- Constant development of existing products

Investments in Infrastructure in 2017

- CAPEX in 2017 > PLN 115 million



Agenda

- Financial Results
- Cash and Debt
- Sales Structure
- Human Resources
- Investments
- **Summary**

Summary of 2017

- Stabilisation of revenues at the current level and increase in operating costs of 8% resulted in the reduction of operating profitability to the level below 4%
- An increase of 2.8% in sales in the Polish market and a decrease of 3.6% in the foreign markets
- Satisfactory business development in the area of Loyalty, e-Invoicing, ICT, ERP in PL, noticeable decrease in revenues in Telco OSS and BSS
- Continued low revenues from domestic sales to customers in the Public sector and Medicine, but there are signs of recovery – we have signed new significant contracts (ZUS KSI, ReCourt)
- A great investment effort in the new IT products and record expenditures for the development of infrastructure

Opportunities and challenges in 2018

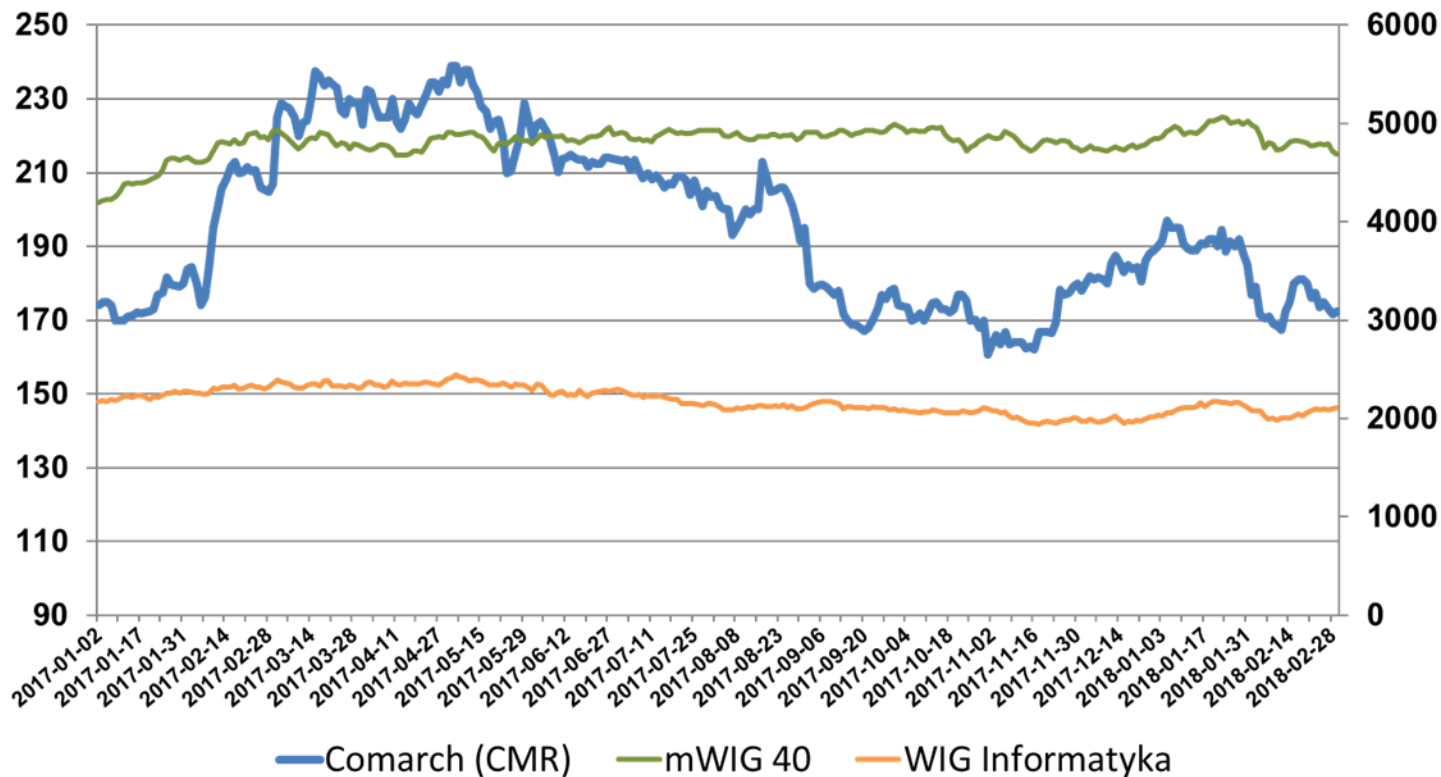
Opportunities:

- Great chances for a new business with serious global clients
- Increase in Backlog for 2018
- A new hand on the public administration market in Poland
- Increase in the international reputation of Comarch
- New products with strong market potential

Challenges:

- Increase in operating costs
- Unfavorable exchange rates
- Uncertain economic trend in the Public sector and Medicine
- High costs of conducting business in exotic places

Comarch Stock Price on WSE (1.01.2017 - 01.03.2018)



In PLN

COMARCH

Thank you for attention!

