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## Financial Results H1 2020

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

31<sup>st</sup> of August, 2020, Krakow

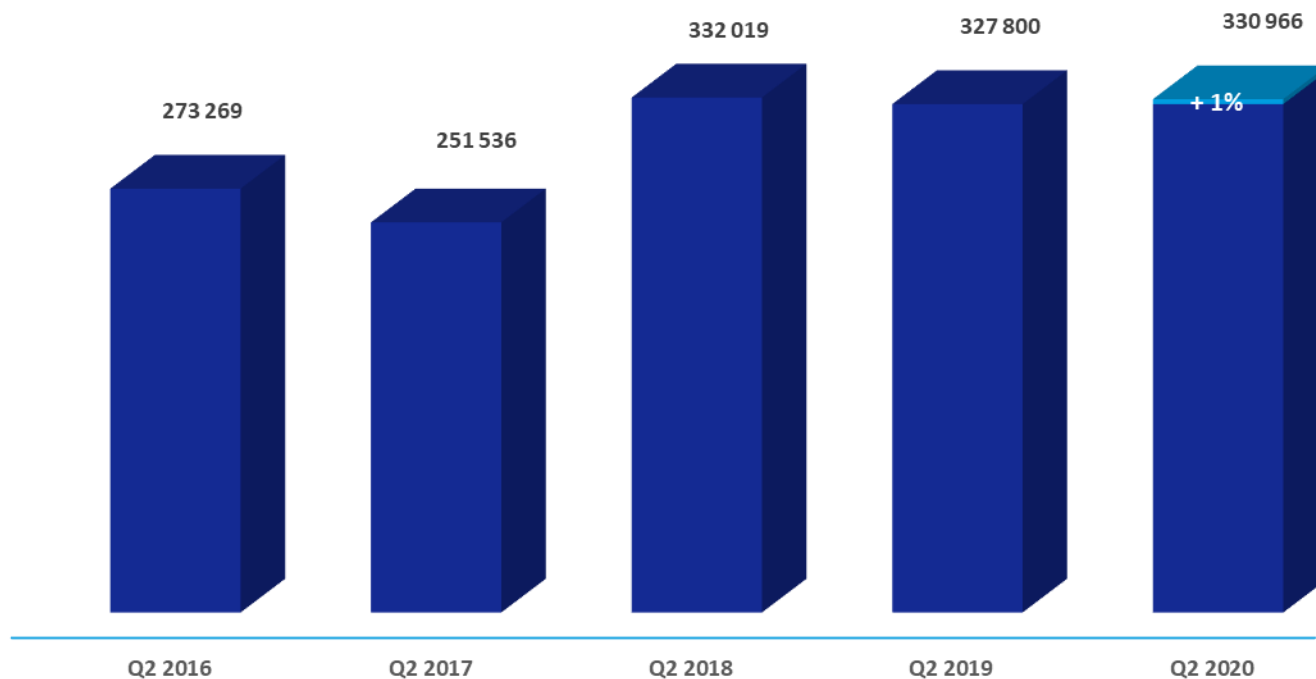
# Agenda

- 1 — Sales Revenue
- 2 — Financial Results Q2 and H1 2020
- 3 — Cash Flow
- 4 — Human Resources
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- 6 — Summary
- 7 — Impact of Covid-19

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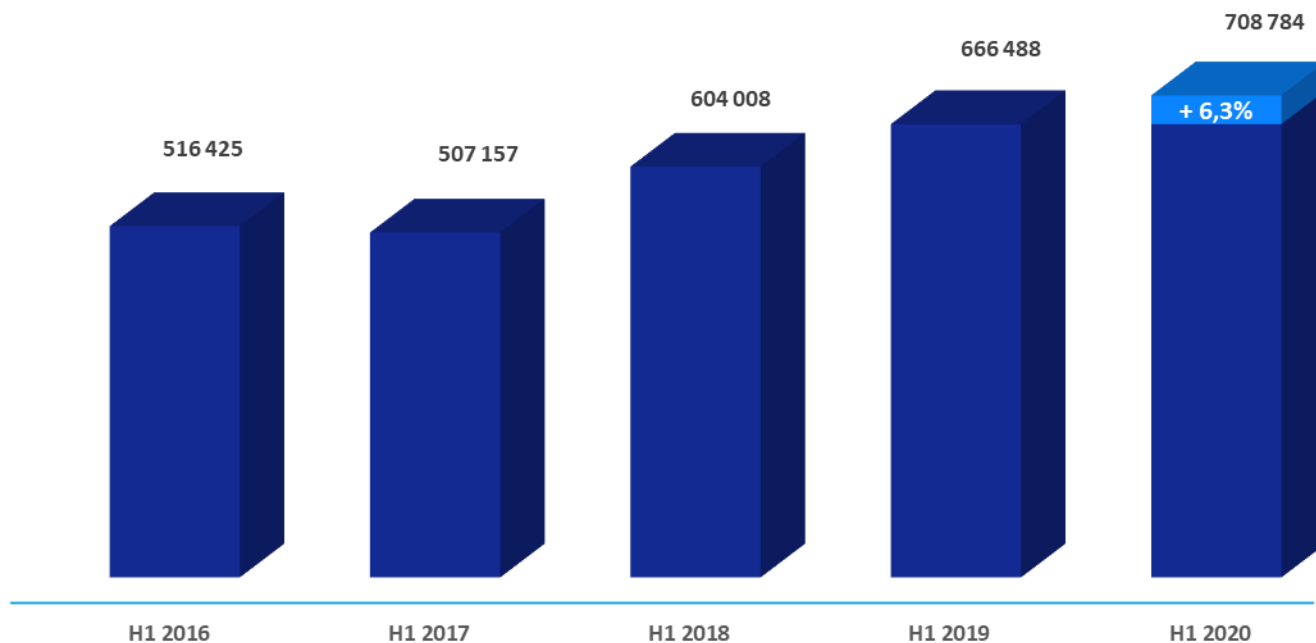
# Sales Revenue Q2 2020 (Comarch Group)



*In PLN thousand*

*Since 2017, the data includes transformations resulting from IFRS 15. Since 2019, the data includes transformations resulting from IFRS 16. The data for 2015 - 2018 have not been transformed in accordance with IFRS 16.*

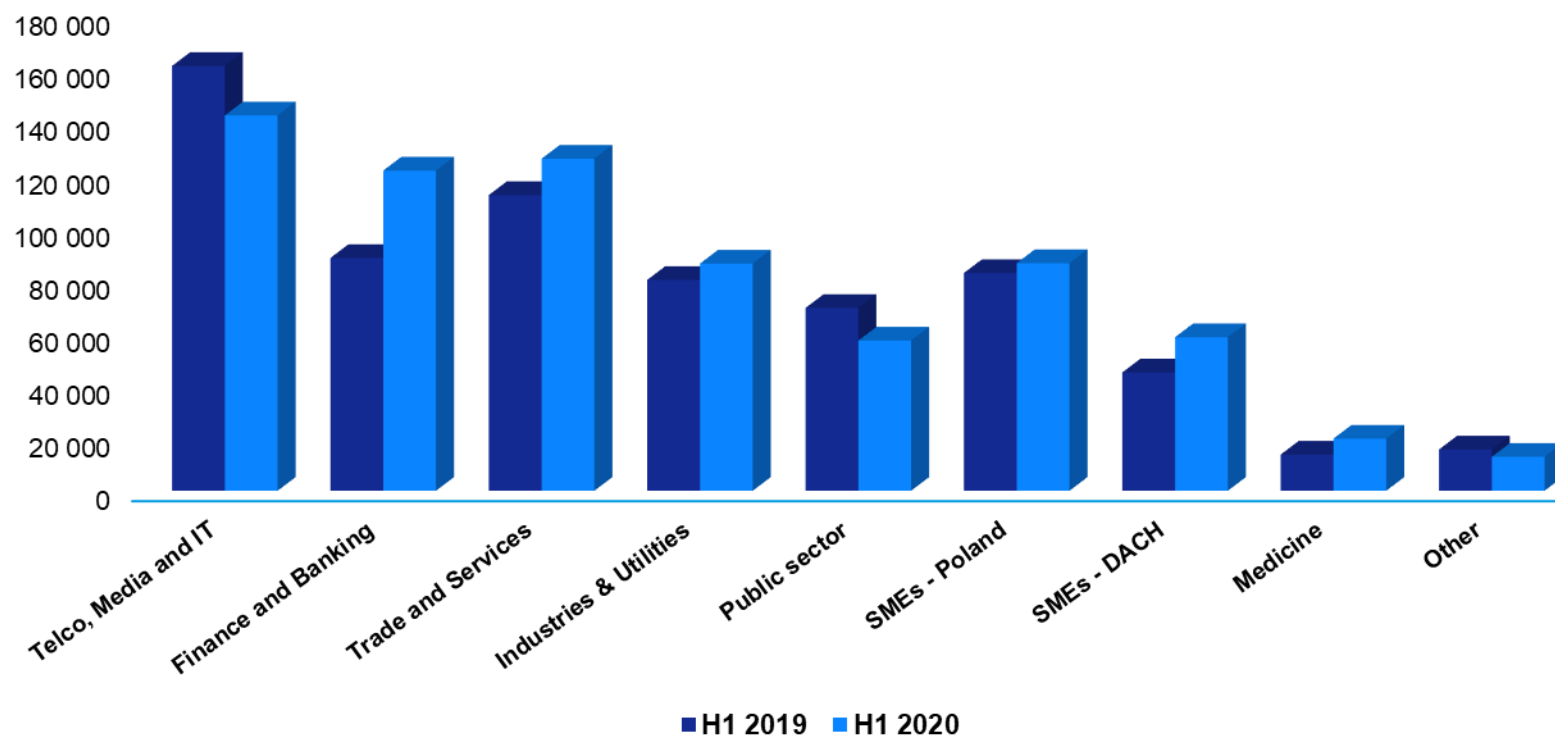
# Sales Revenue H1 2020 (Comarch Group)



*In PLN thousand*

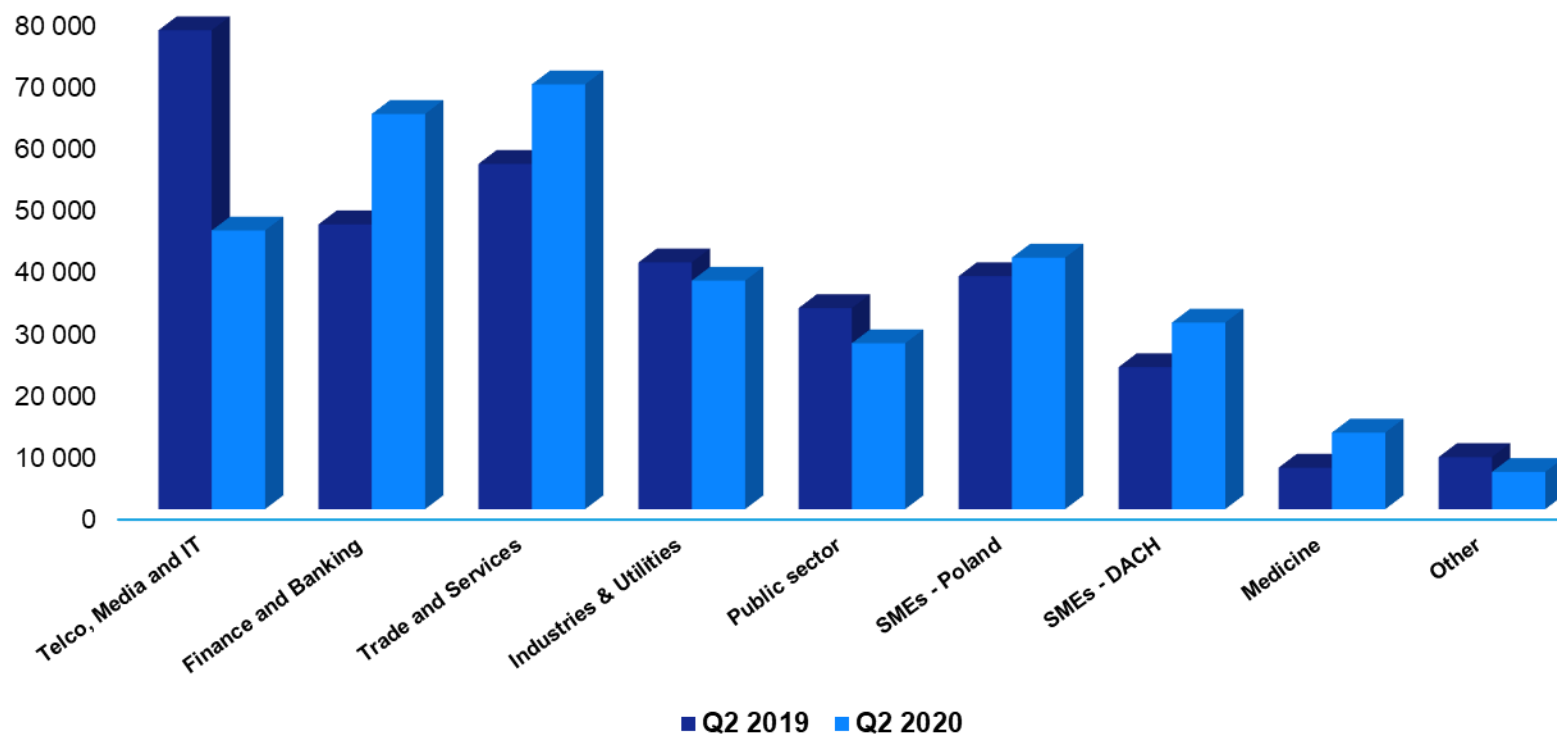
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# Market Sales Structure H1 2020



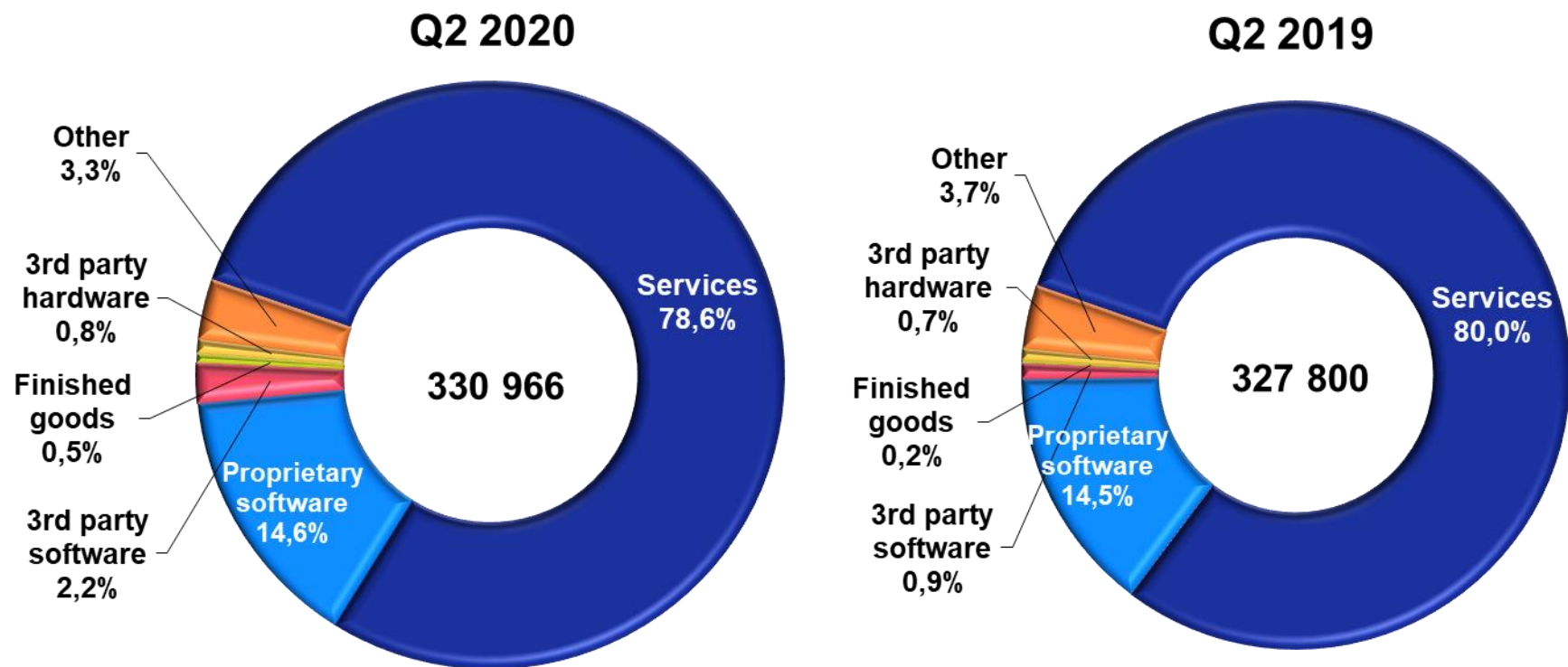
*In PLN thousand*

# Market Sales Structure Q2 2020



*In PLN thousand*

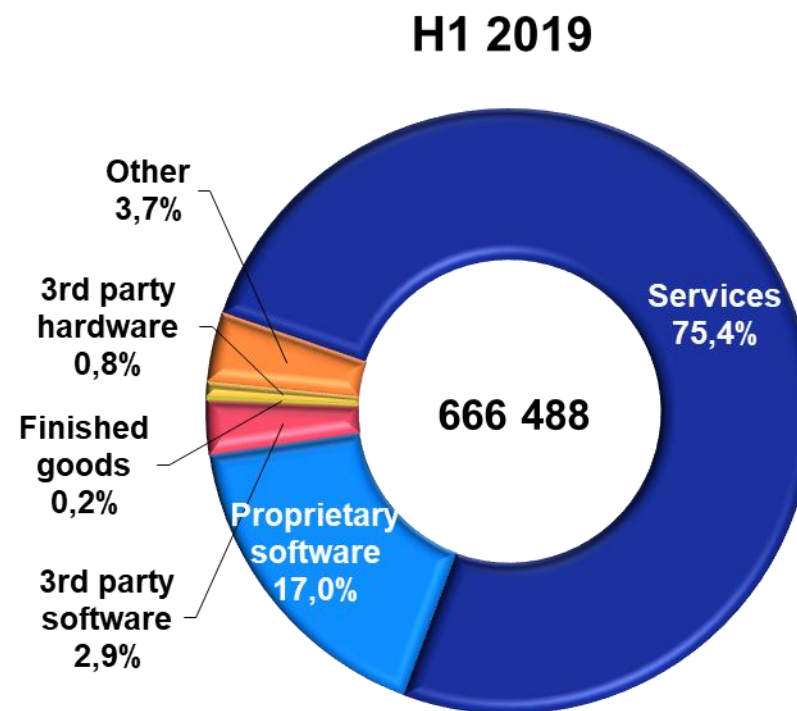
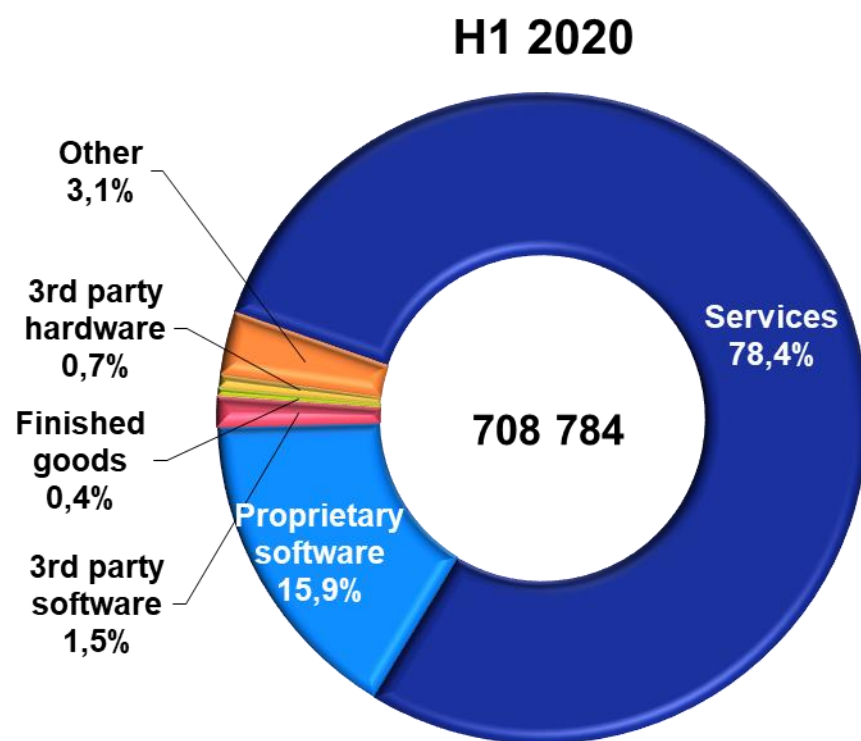
# Products Sales Structure Q2 2020



*In PLN thousand*



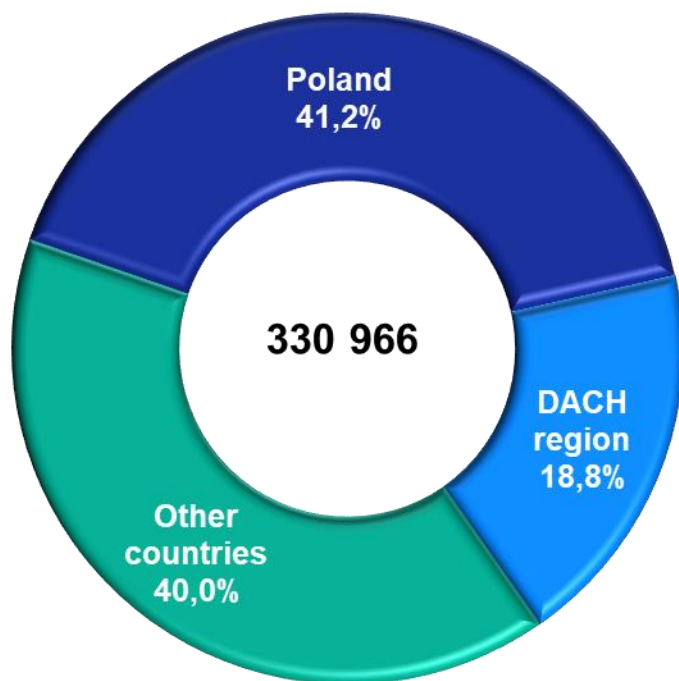
# Products Sales Structure H1 2020



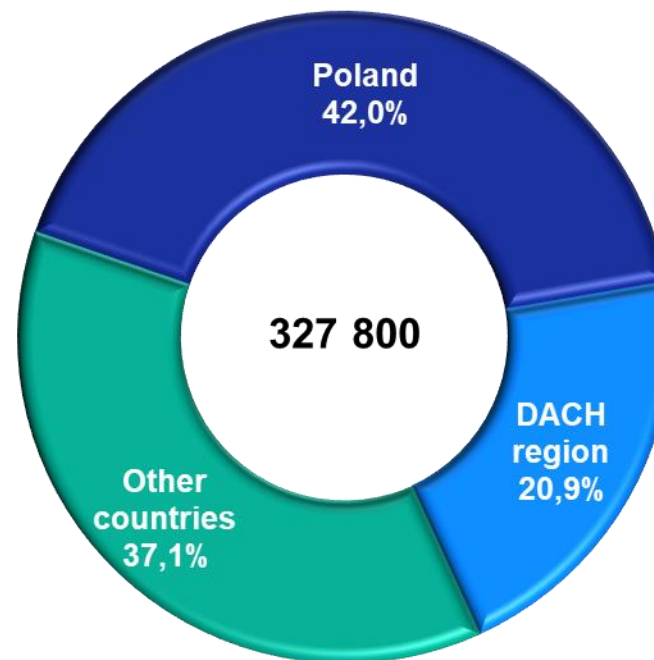
*In PLN thousand*

# Geographical Sales Structure Q2 2020

Q2 2020



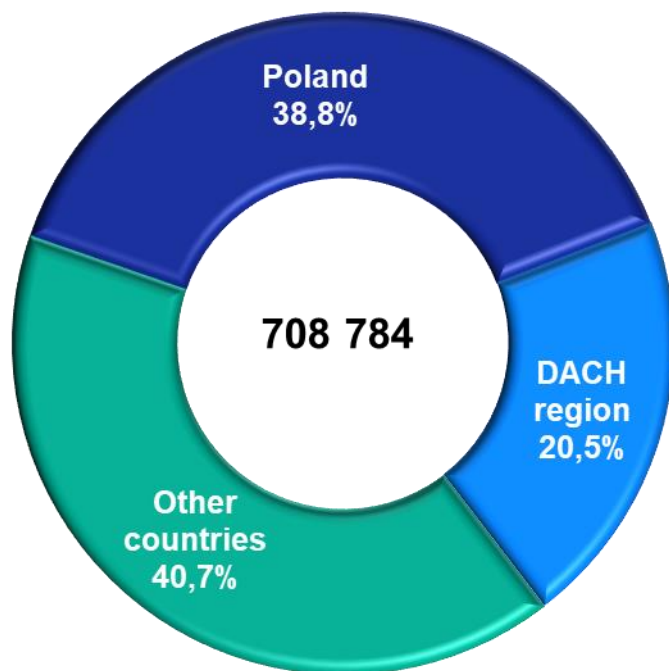
Q2 2019



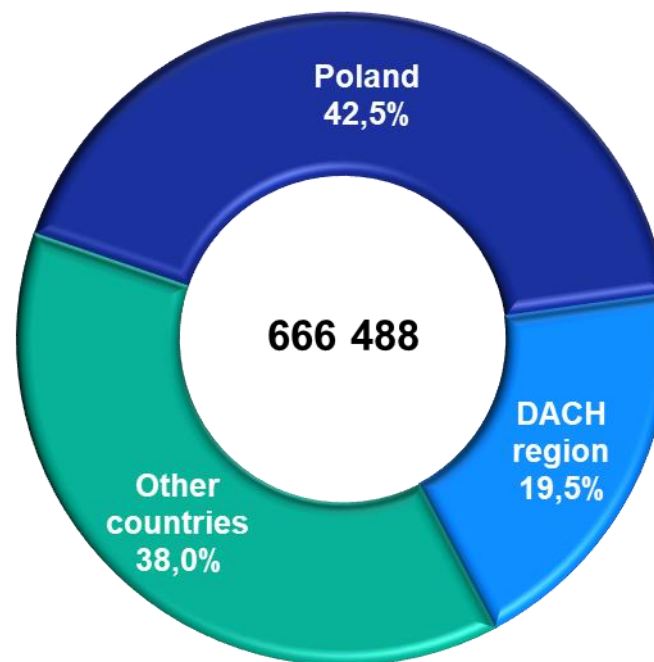
*In PLN thousand*

# Geographical Sales Structure H1 2020

H1 2020



H1 2019



*In PLN thousand*

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# Consolidated Financial Results Q2 2020

Comarch Group	Q2 2020	Q2 2019
Revenue	330 966	327 800
Operating profit	26 919	25 213
Net profit attributable to the Company's shareholders	20 344	20 224

*In PLN thousand*

# Consolidated Financial Results H1 2020

Comarch Group	H1 2020	H1 2019
Revenue	708 784	666 488
Operating profit	71 783	46 157
Net profit attributable to the Company's shareholders	34 519	27 179

*In PLN thousand*

# Impact of Changes in Currency Exchange Rates on Q2 2020 Financial Results

Exchange differences	Q2 2020
Balance sheet valuation of receivables	-7 312
Balance sheet valuation of liabilities	-523
Balance sheet valuation of financial instruments	+14 691

*In PLN thousand*

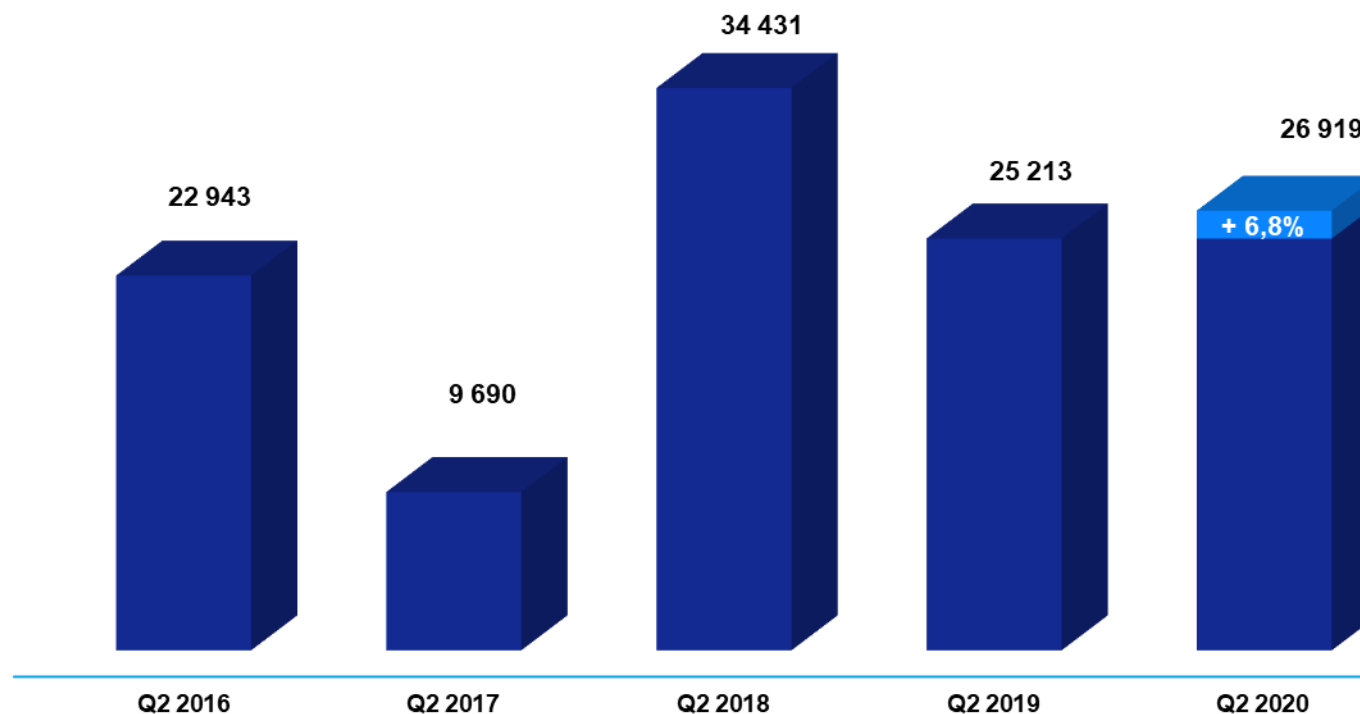
# Impact of Changes in Currency Exchange Rates on H1 2020 Financial Results

Exchange differences	H1 2020
Balance sheet valuation of receivables	+11 343
Balance sheet valuation of liabilities	-16 234
Balance sheet valuation of financial instruments	-7 020

*In PLN thousand*



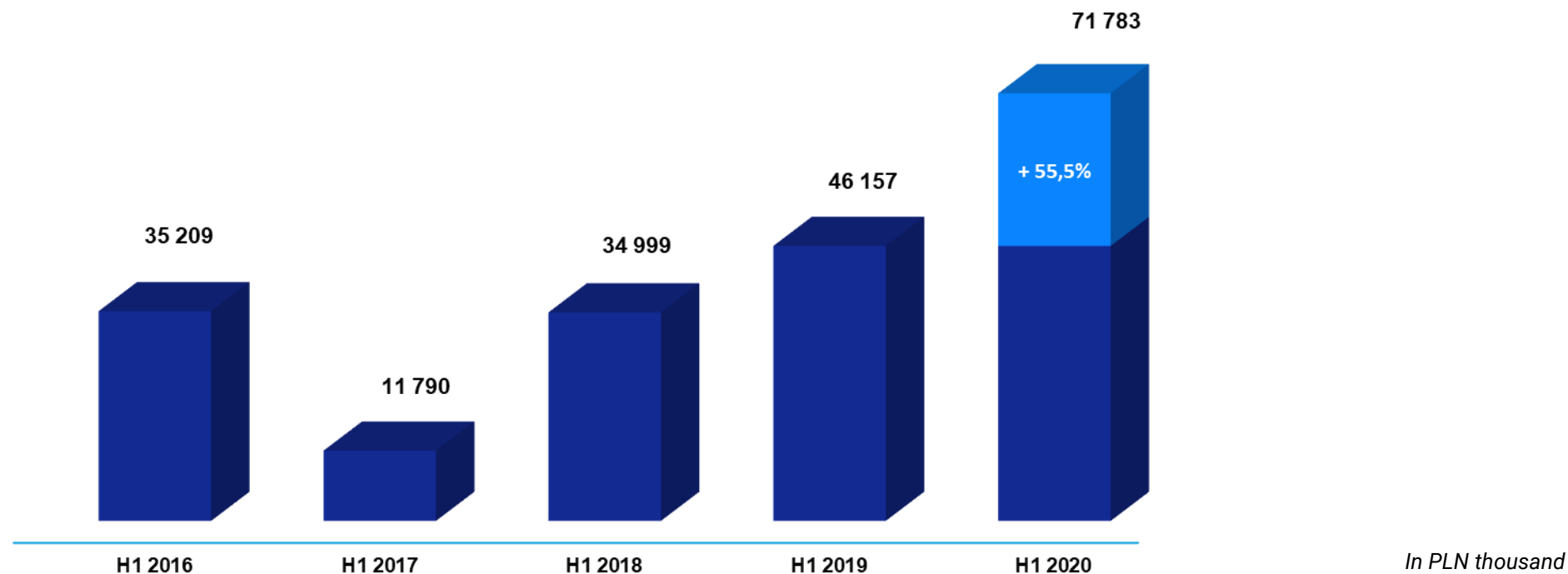
# Operating Profit Q2 2020 (Comarch Group)



*In PLN thousand*

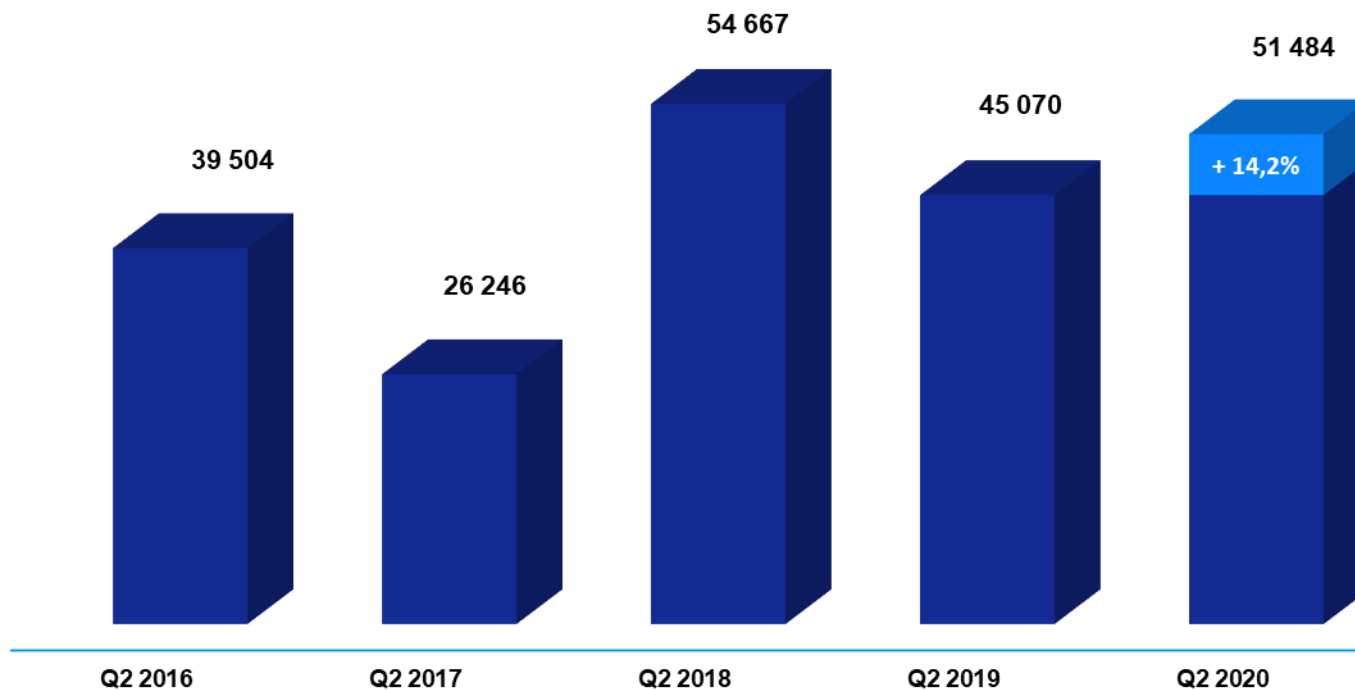
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# Operating Profit H1 2020 (Comarch Group)



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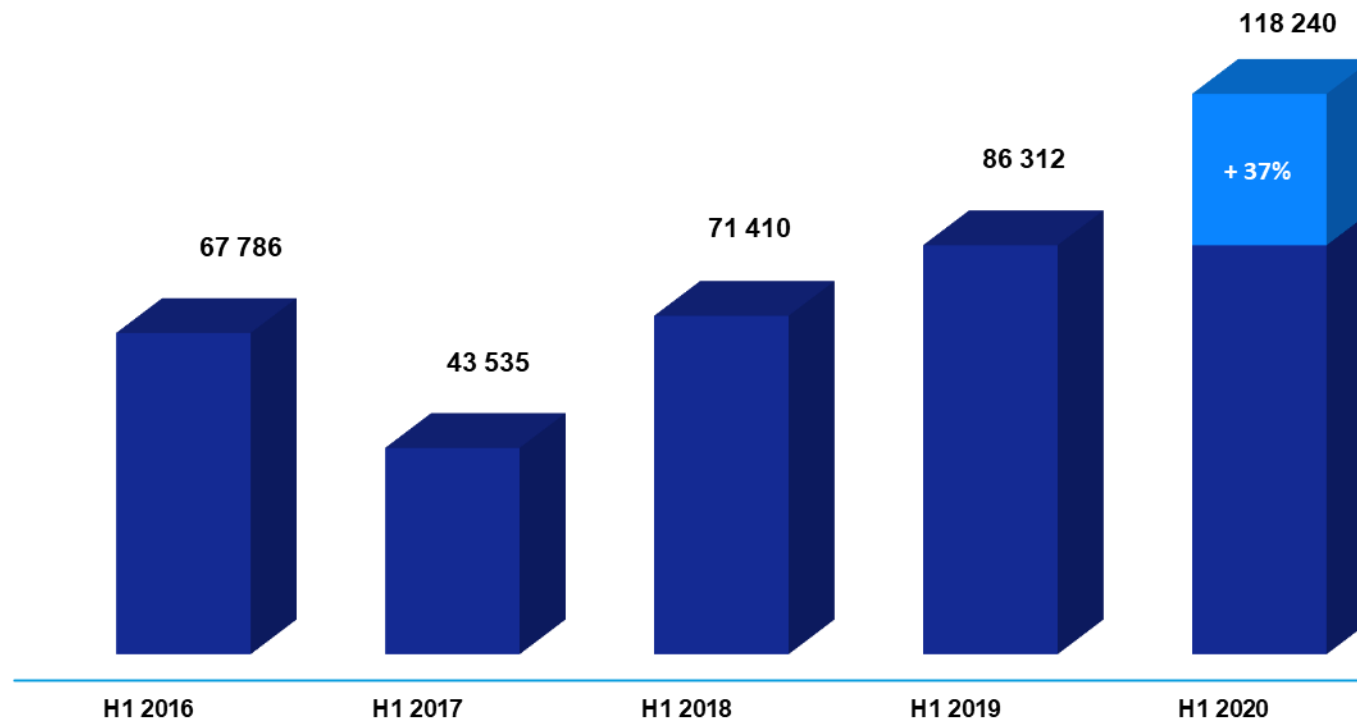
# EBITDA Q2 2020 (Comarch Group)



*In PLN thousand*

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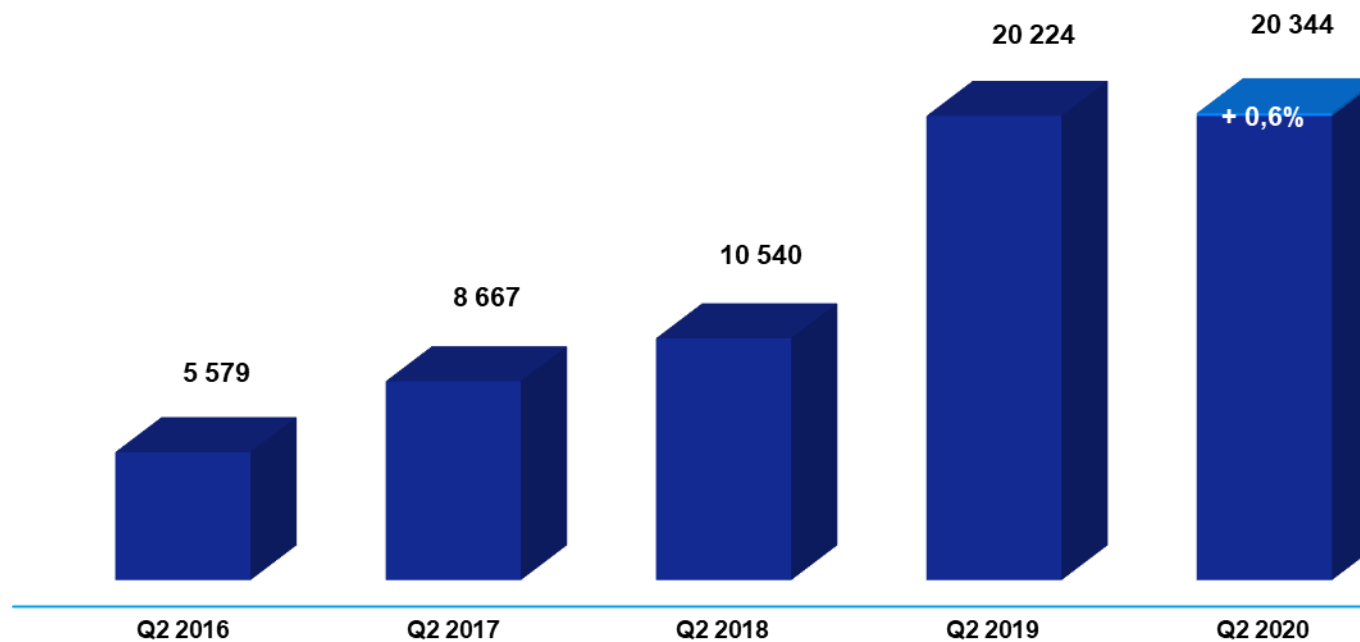
# EBITDA H1 2020 (Comarch Group)



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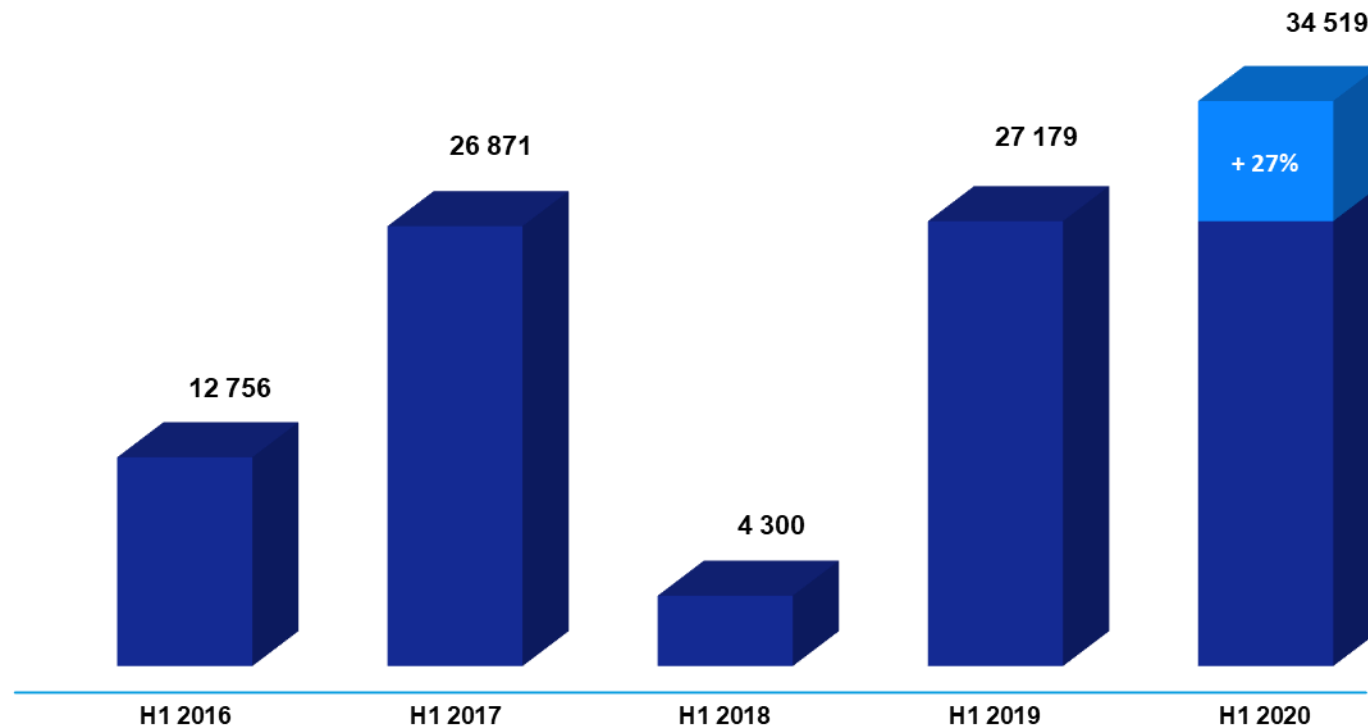
# Net Profit Attributable to the Company's Shareholders Q2 2020



*In PLN thousand*

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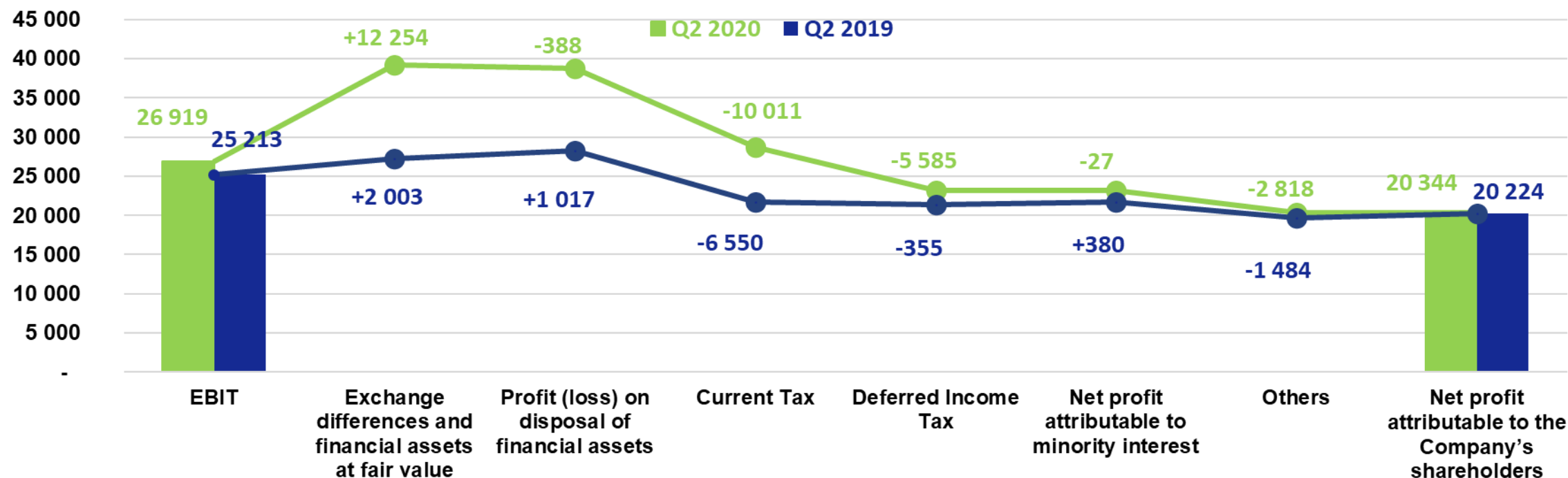
# Net Profit Attributable to the Company's Shareholders H1 2020



*In PLN thousand*

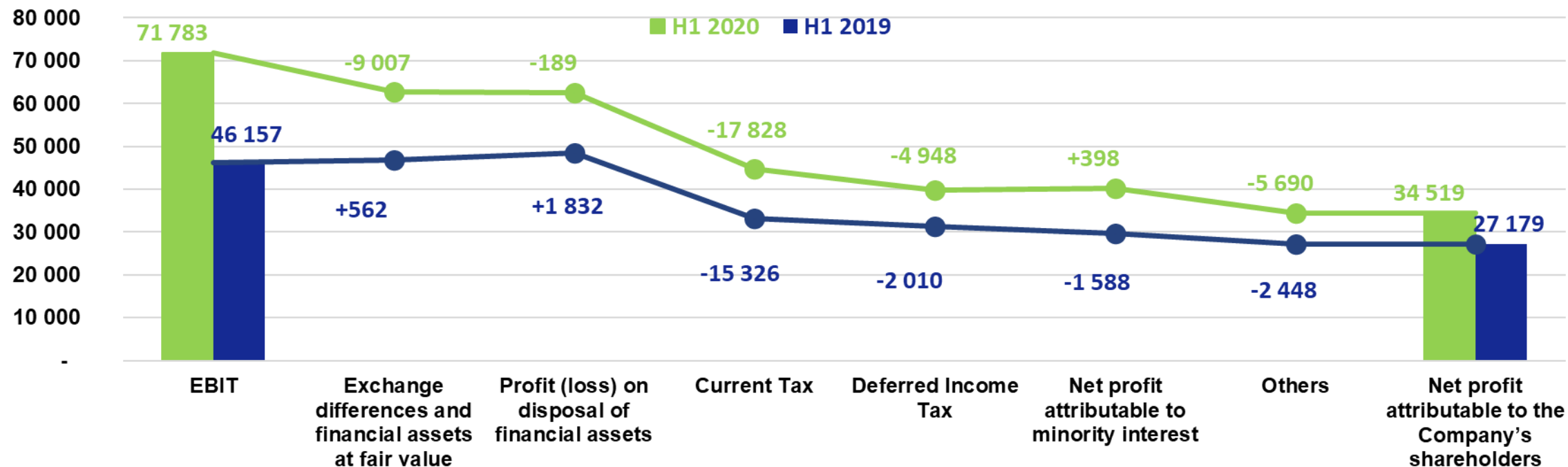
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# EBIT vs. Net Profit Q2 2020 (Comarch Group)



*In PLN thousand*

# EBIT vs. Net Profit H1 2020 (Comarch Group)



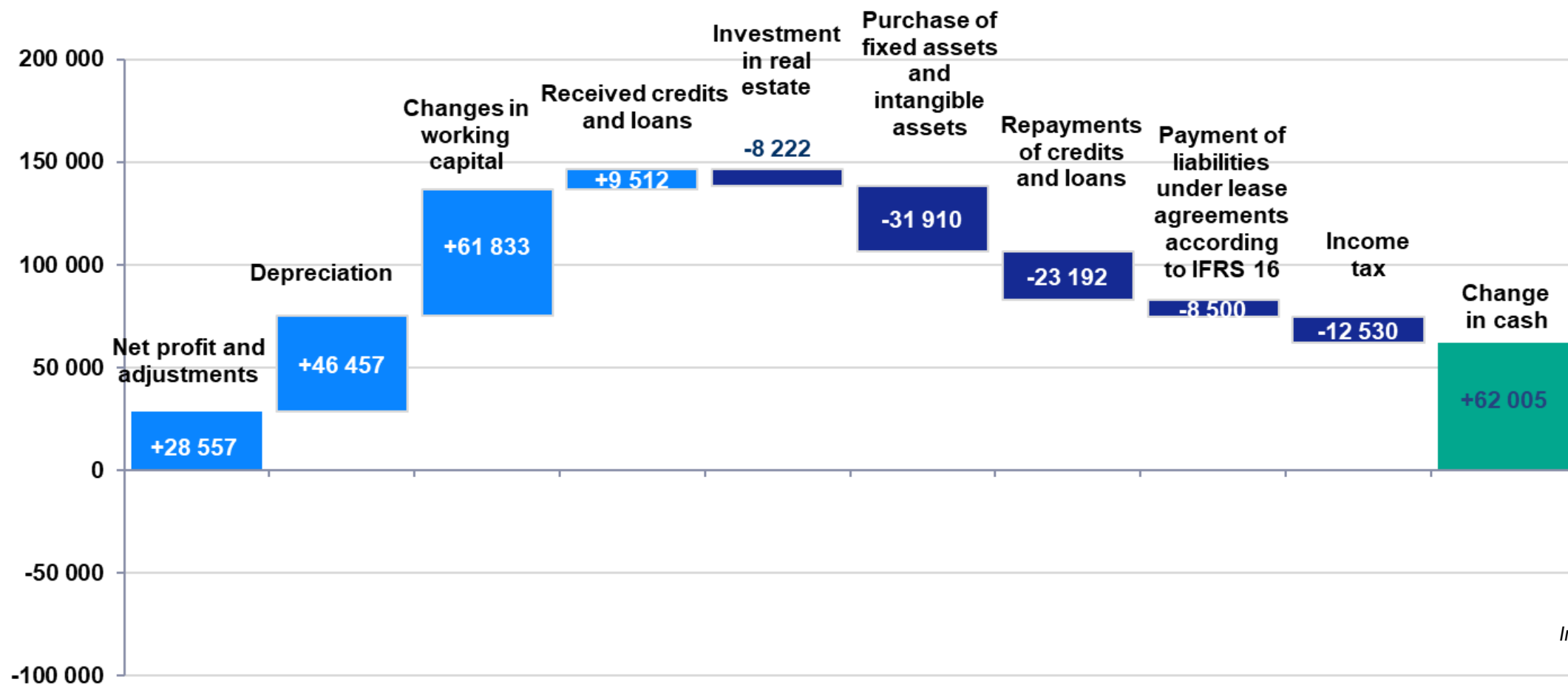
*In PLN thousand*



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# Cash flow H1 2020

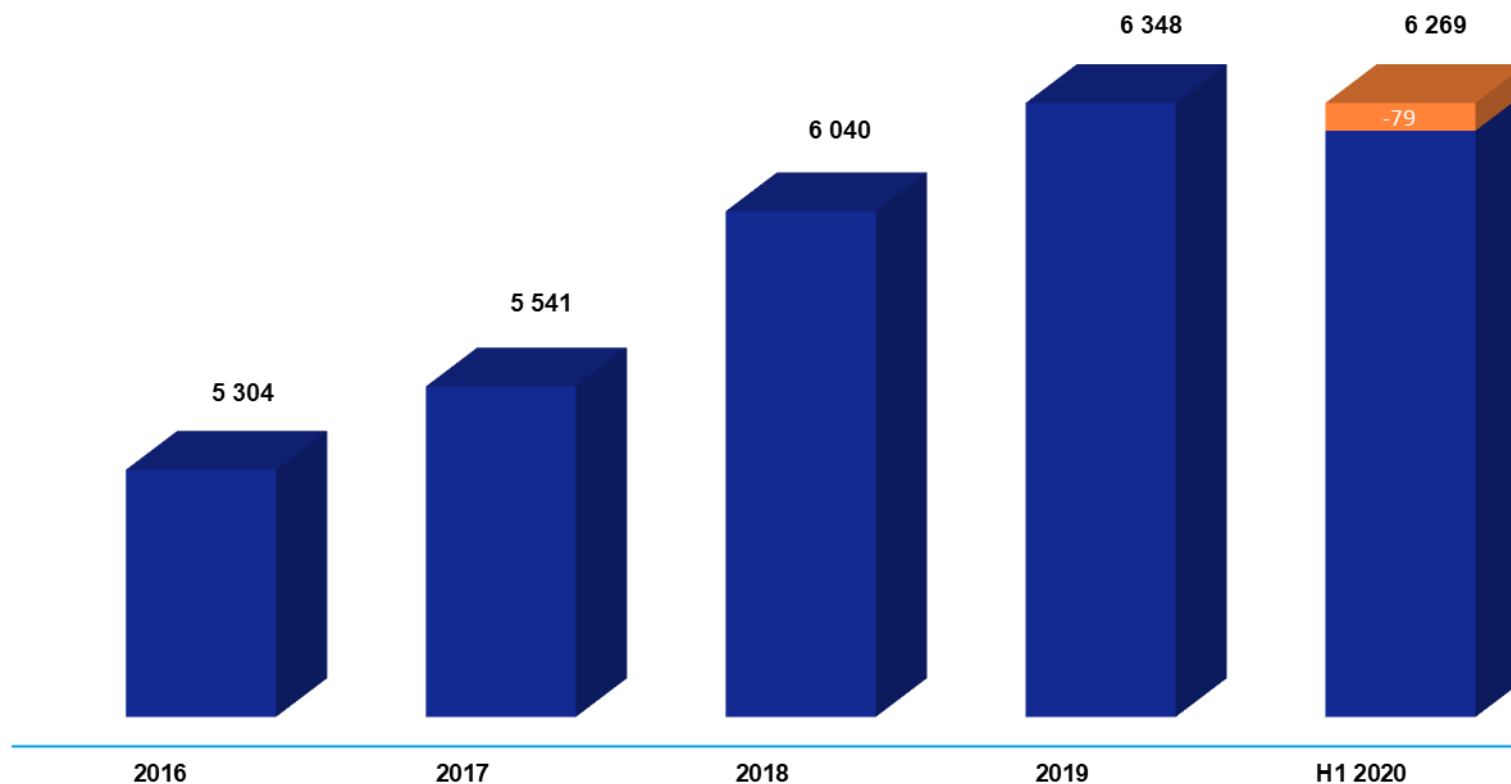


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# Employment in Comarch Group



# Employment

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- As at the 30th of June, 2020, the Comarch Group hired 6,269 persons, i.e. 79 persons less than as at the 31st of December, 2019
- The fund of basic salaries in the reporting period was 6.1% higher than in H1 2019

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# Investments

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- In Q1 2020, Comarch Group has continued development works within IT solutions, as well as invested in development of own IT technologies, especially in the area of Comarch Cloud. In 2020, innovative solutions in this area will debut on the market (i.a. Comarch Infraspaces Cloud)
- The Comarch Group in April 2020 acquired 2CSI, the IT company from France, operating in the area of e-Health. The value of the acquisition amounted to EUR 2.1 million
- Comarch Inc. purchased land in Phoenix in the USA and carries out design works related to the Comarch Data Center investment in the USA
- Group continues the investment in MKS Cracovia Training Center

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# Summary H1 2020

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- In Q2 2020, Covid-19 epidemic did not affect Comarch's operations and financial results
- Sales revenue increased in the first half of 2020 by PLN 42.3 million, i.e. 6.3%
- Sales revenue increased much faster than operating costs - as a result, operating profitability increased to +10.1% and net profitability to +4.9%
- Revenue from export sales increased by 13.4%, mainly due to the higher sales of Finance and Banking, Loyalty and ERP solutions on European and Asian markets
- Revenue from domestic sales decreased by PLN 8.9 million, i.e. 3.1%, as a result of the lack of supplies of third party software to one of the public institutions in 2020
- The financial results in H1 2020 were significantly affected by the exchange rate fluctuations (depreciation of PLN in Q1 2020, strengthening of PLN in Q2 2020, devaluation of currencies in South America)

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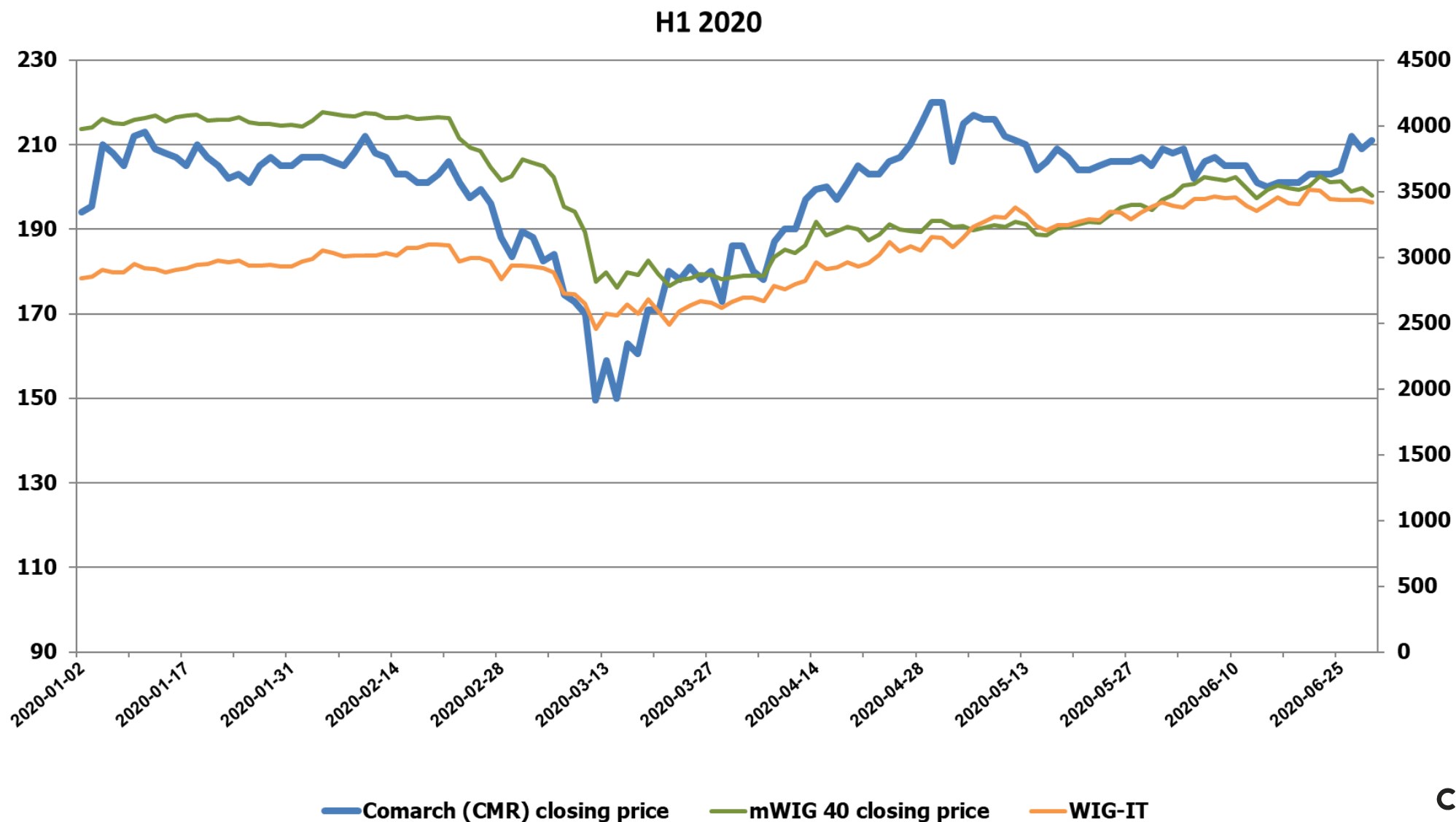
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# Impact of Covid-19 on Comarch's Activities

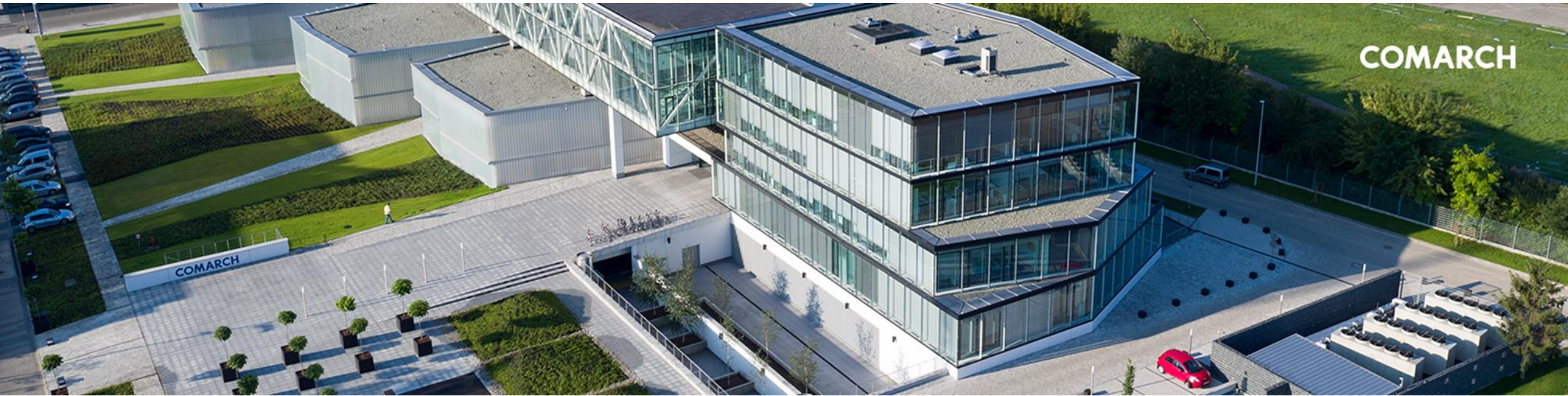
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- After a temporary slowdown in sales in April and May, the company reported record revenues in June
- Some groups of Comarch customers have been heavily affected by restrictions related to combating the epidemic (airlines, travel agencies, retail trade) and have reduced IT expenditure, while in other areas we have observed an increased interest in Comarch solutions (telemedicine, telecommunications, cloud, e-invoicing)
- Due to very good financial results in previous periods and well diversified activities (in the scope of: industries, products, geography), the company's situation is stable
- The organization of work has changed significantly (reducing business travel, widespread remote work, implementation of GIS recommendations, conducting projects using remote communication methods), both in Comarch and on the client side. This contributed to a reduction in some costs by type in Q2 2020

# Comarch Stock Price on WSE (1.01.2020 – 30.06.2020)



# Thank you for attention!



**COMARCH**