

Financial Results Q1 2020

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

18th of May, 2020, Krakow

Agenda

- **Sales Revenue**
- **Financial Results Q1 2020**
- **Cash Flow**
- **Human Resources**
- **Investments**
- **Summary**
- **Impact of Covid-19**

Agenda

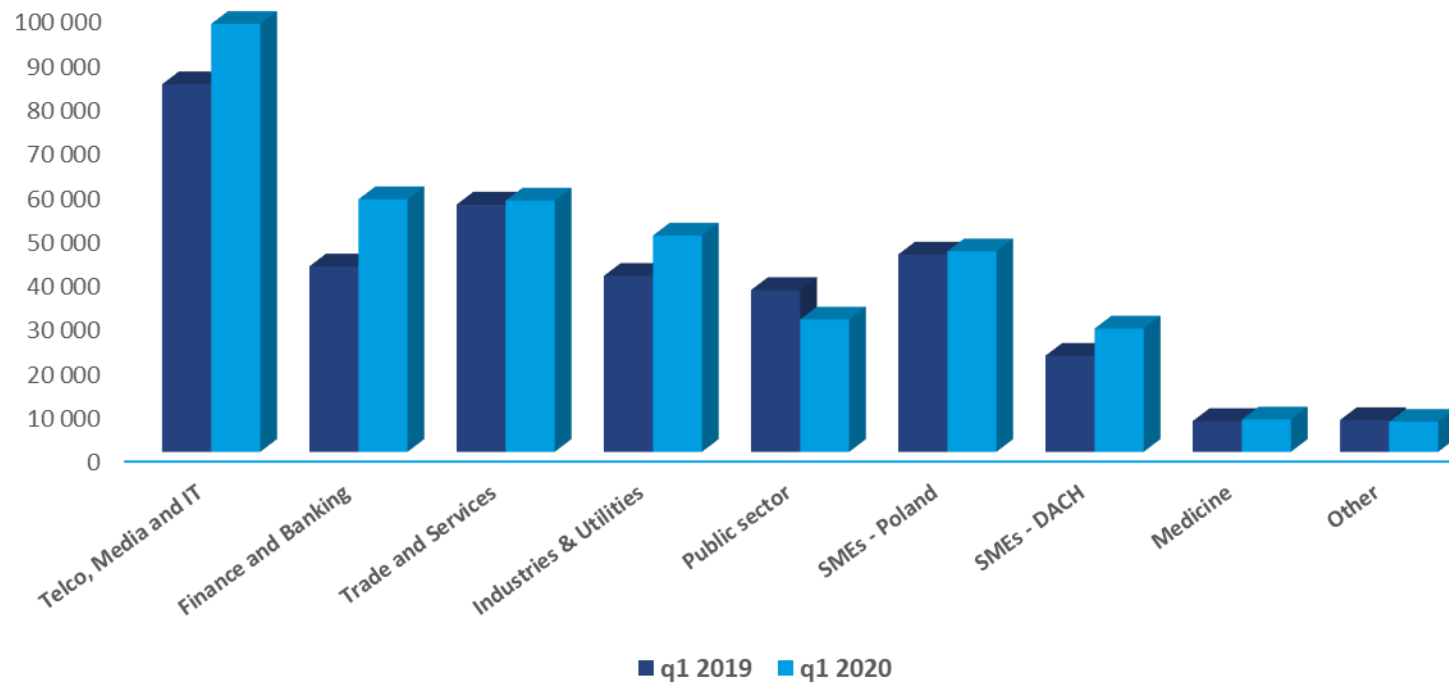
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Sales Revenue Q1 2020 (Comarch Group)



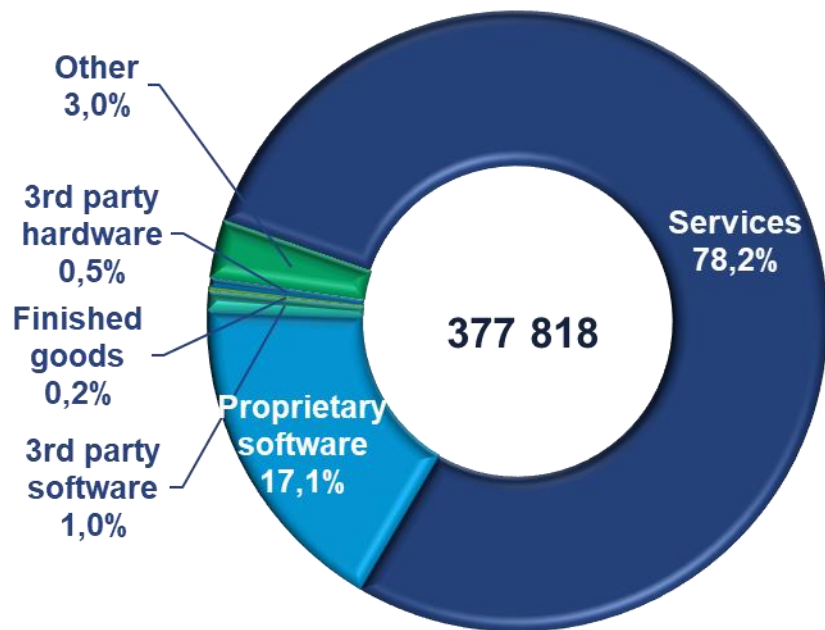
Since 2017, the annual data includes transformations resulting from IFRS 15. The data for 2015-2016 have not been transformed in accordance with IFRS 15. Data for 2019 includes transformations resulting from IFRS 16. The data for 2015 - 2018 have not been transformed in accordance with IFRS 16.

Market Sales Structure Q1 2020

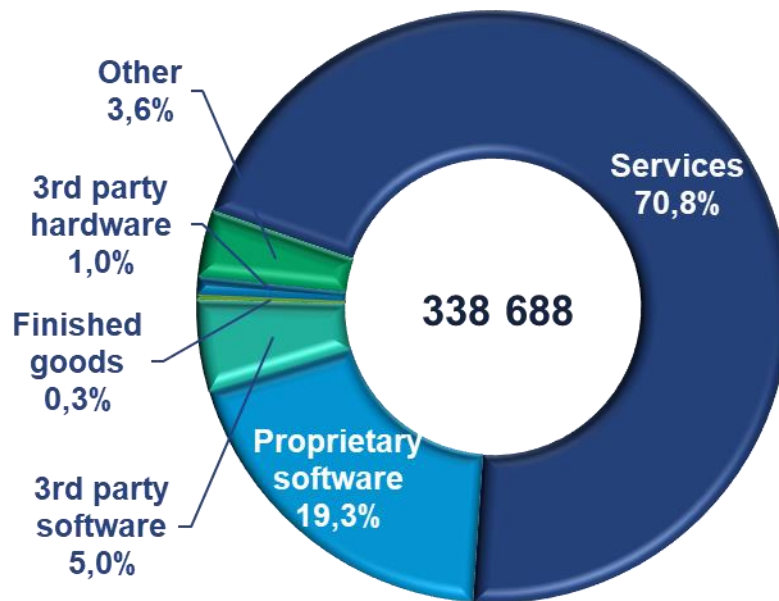


Products Sales Structure Q1 2020

Q1 2020



Q1 2019

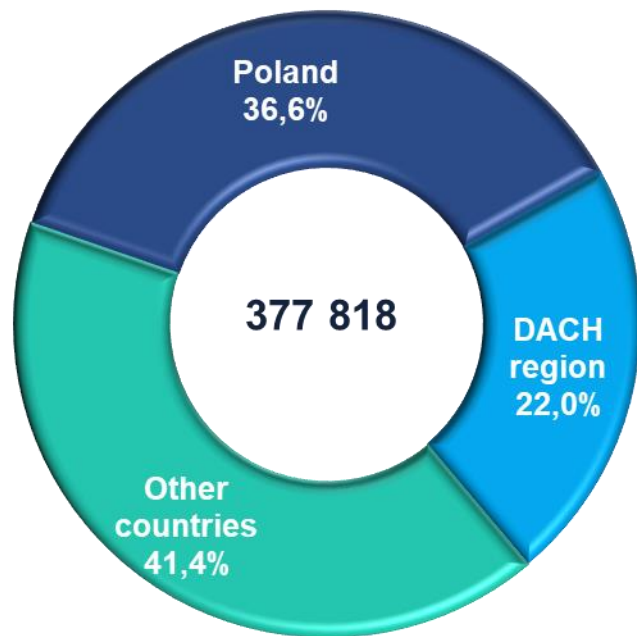


In PLN thousand

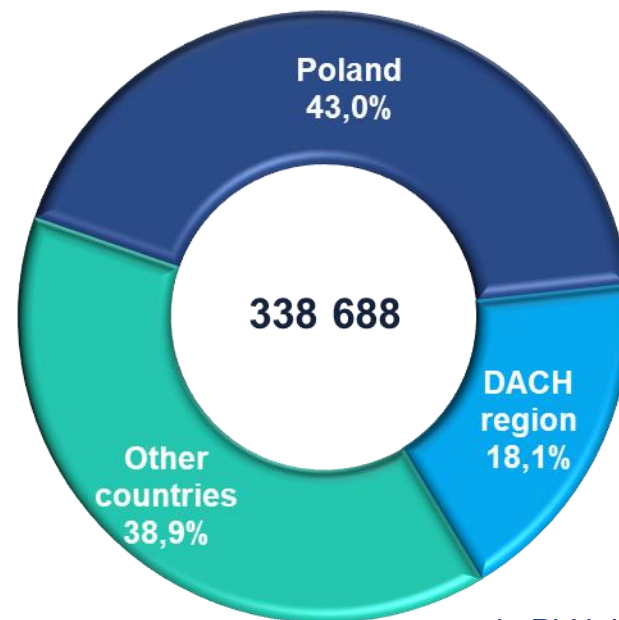
COMARCH

Geographical Sales Structure Q1 2020

Q1 2020



Q1 2019



In PLN thousand

COMARCH

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Consolidated Financial Results Q1 2020

Comarch Group	Q1 2020	Q1 2019
Revenue	377 818	338 688
Operating profit	44 864	20 944
Net profit attributable to the Company's shareholders	14 175	6 955

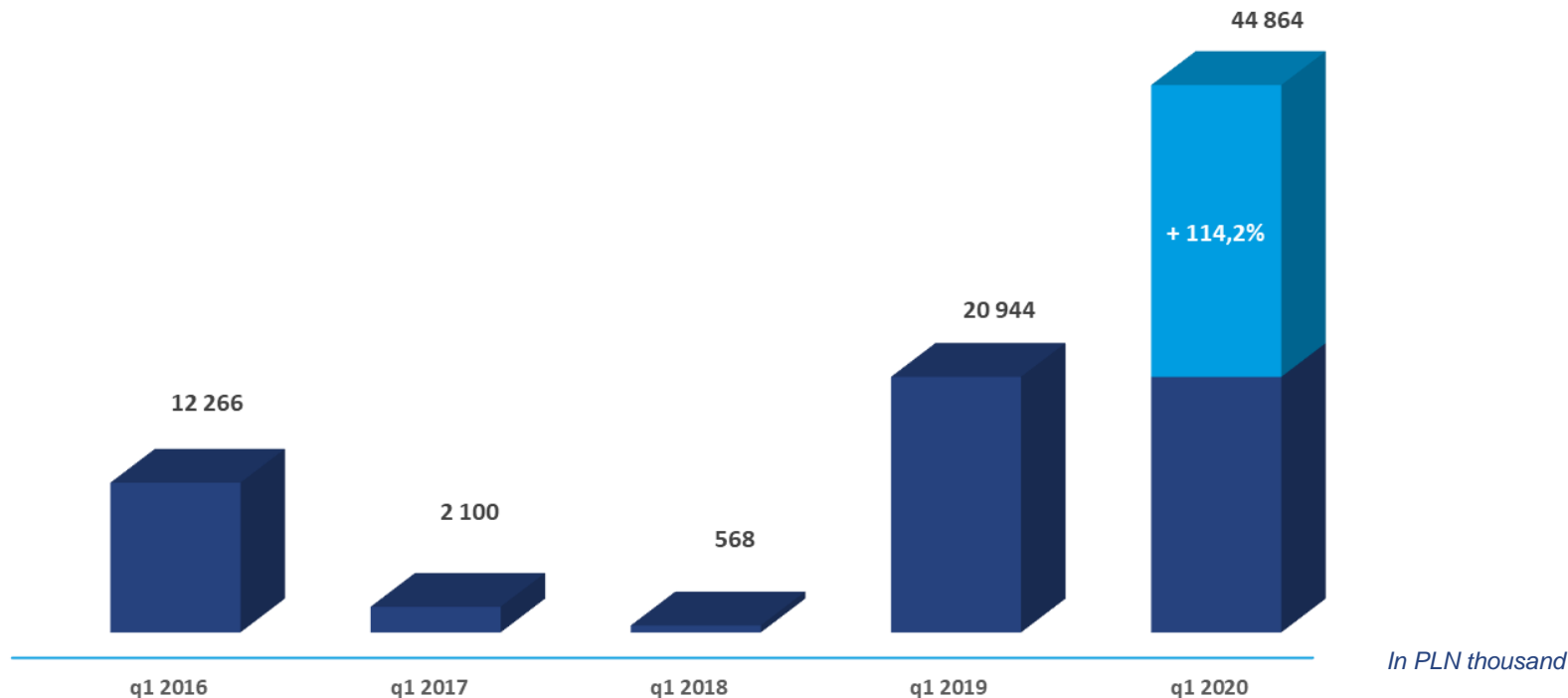
In PLN thousand

Impact of Changes in Currency Exchange Rates on Q1 2020 Financial Results

Exchange differences	Q1 2020
Balance sheet valuation of receivables	+18 655
Balance sheet valuation of liabilities	-15 711
Balance sheet valuation of financial instruments	-21 266

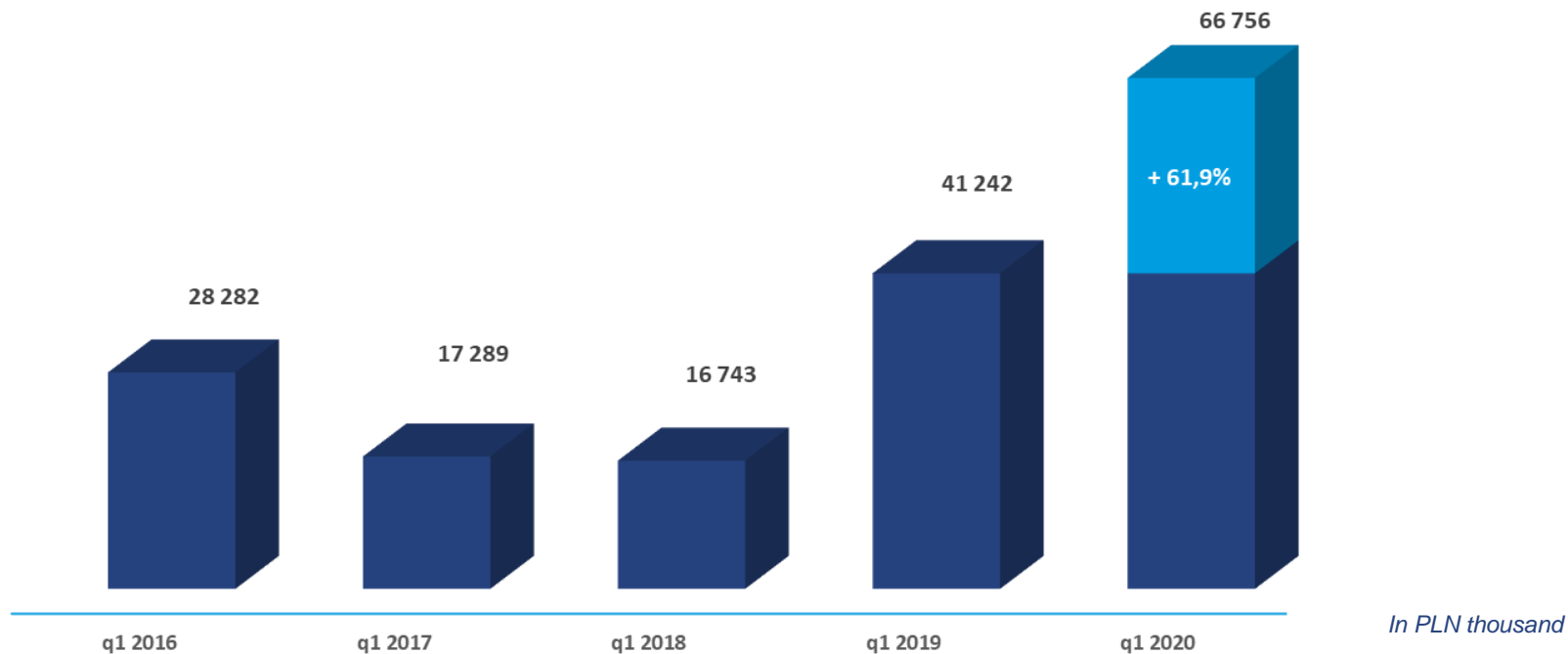
In PLN thousand

Operating Profit Q1 2020 (Comarch Group)



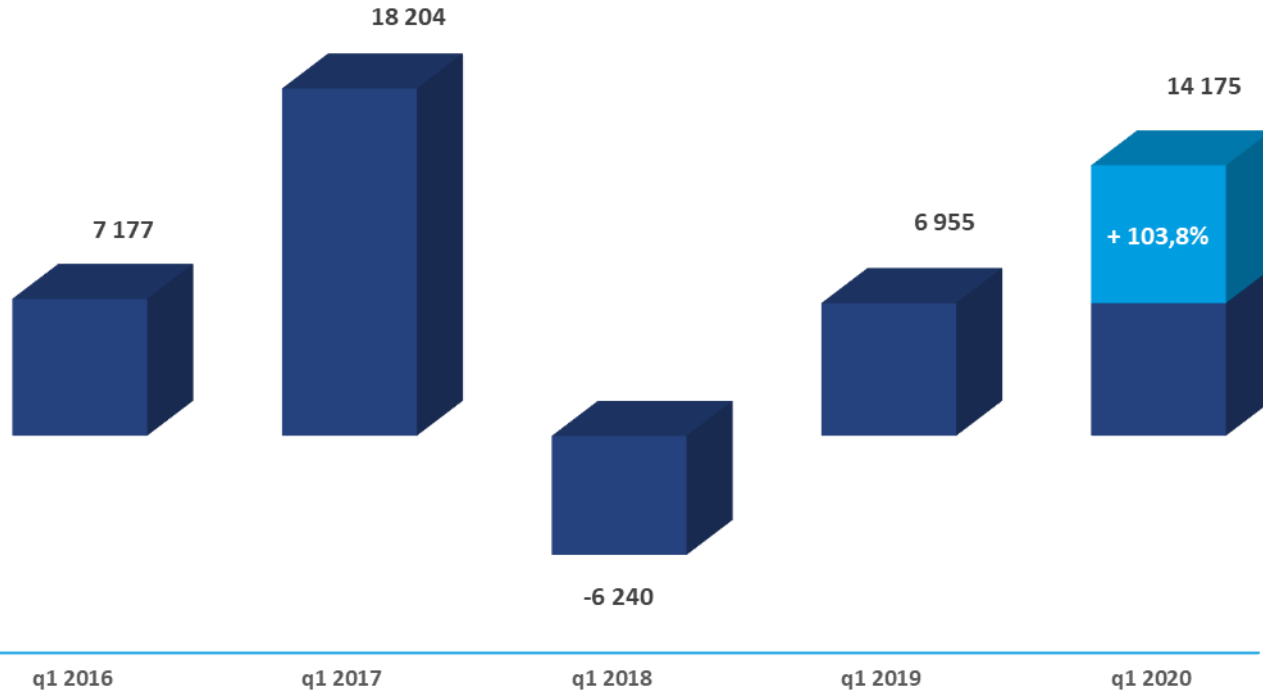
Since 2017, the annual data includes transformations resulting from IFRS 15. The data for 2015-2016 have not been transformed in accordance with IFRS 15. Data for 2019 includes transformations resulting from IFRS 16. The data for 2015 - 2018 have not been transformed in accordance with IFRS 16.

EBITDA Q1 2020 (Comarch Group)



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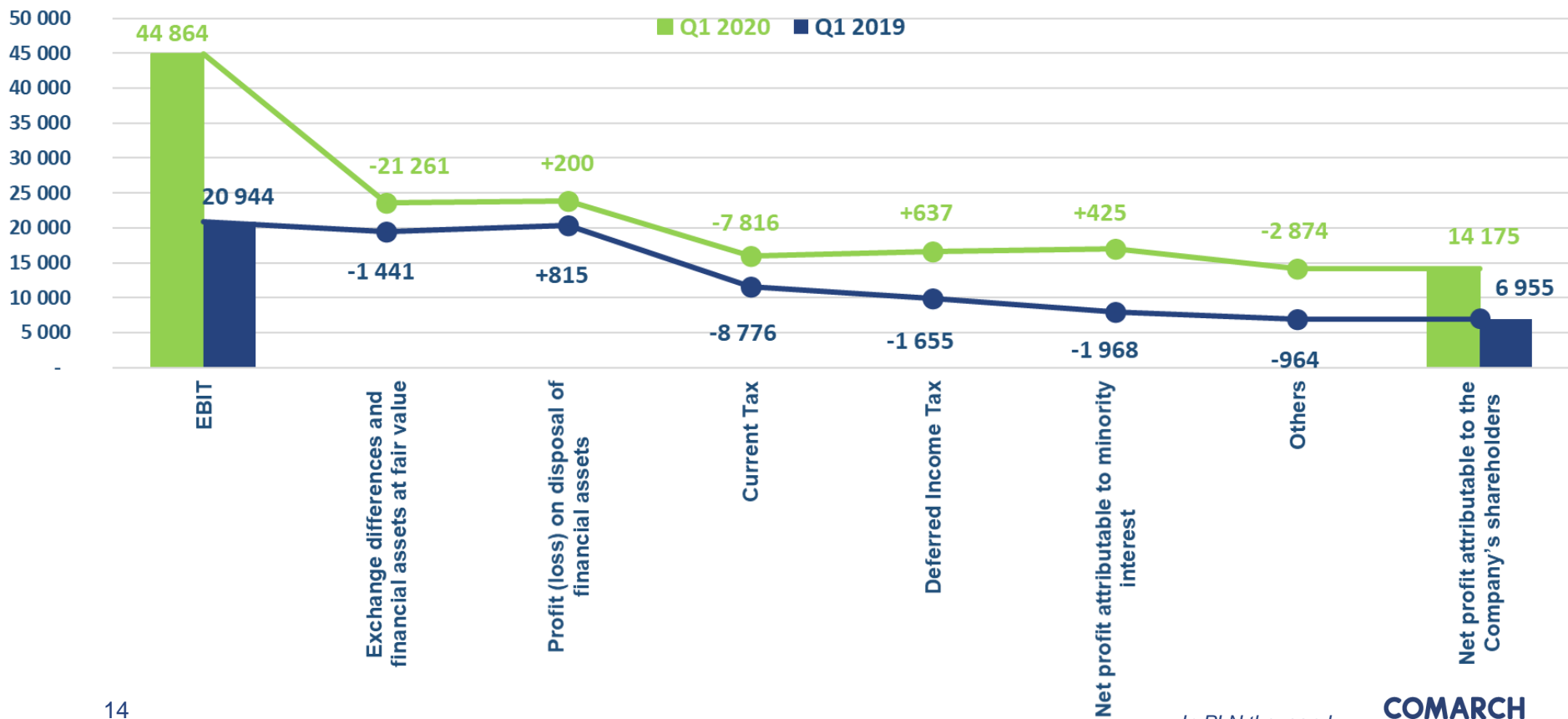
Net Profit Attributable to the Company's Shareholders Q1 2020



In PLN thousand

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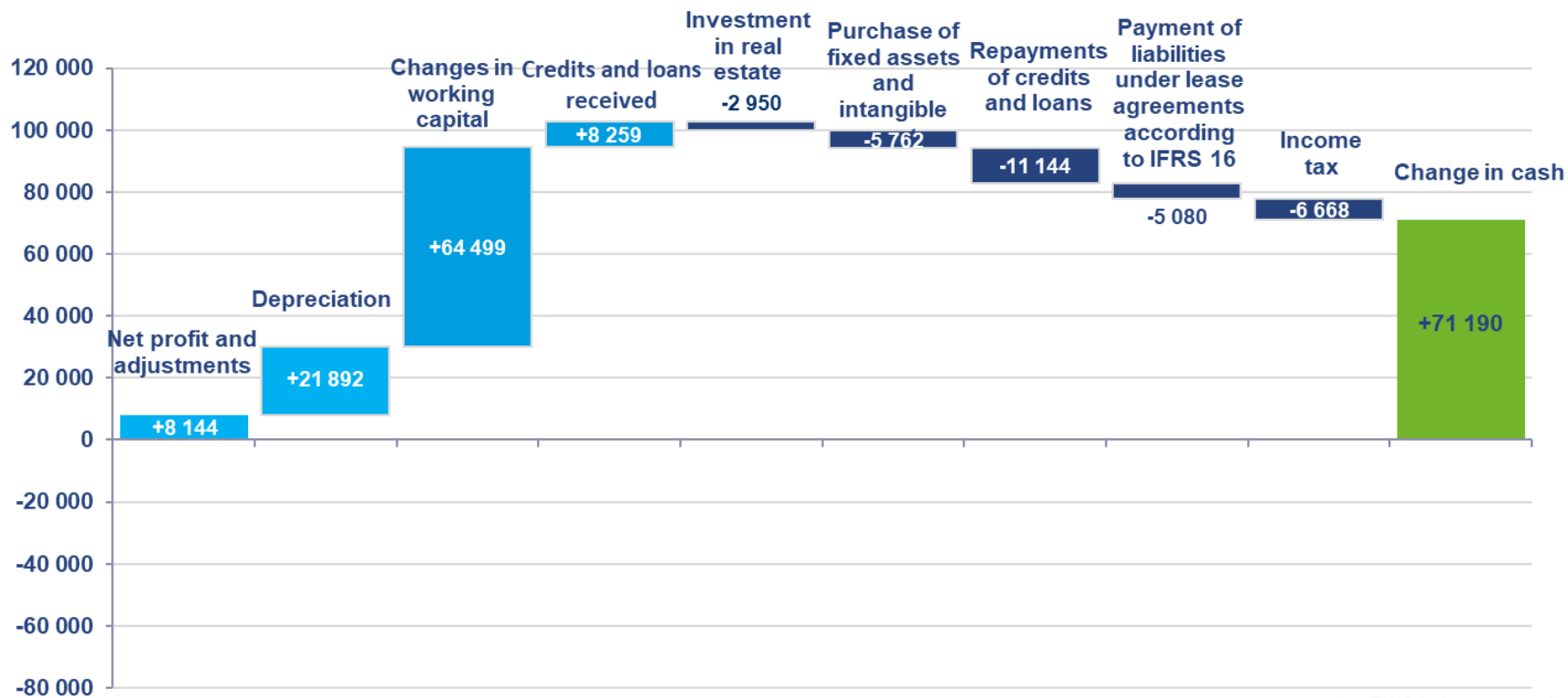
EBIT vs. Net Profit Q1 2020 (Comarch Group)



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Cash flow Q1 2020



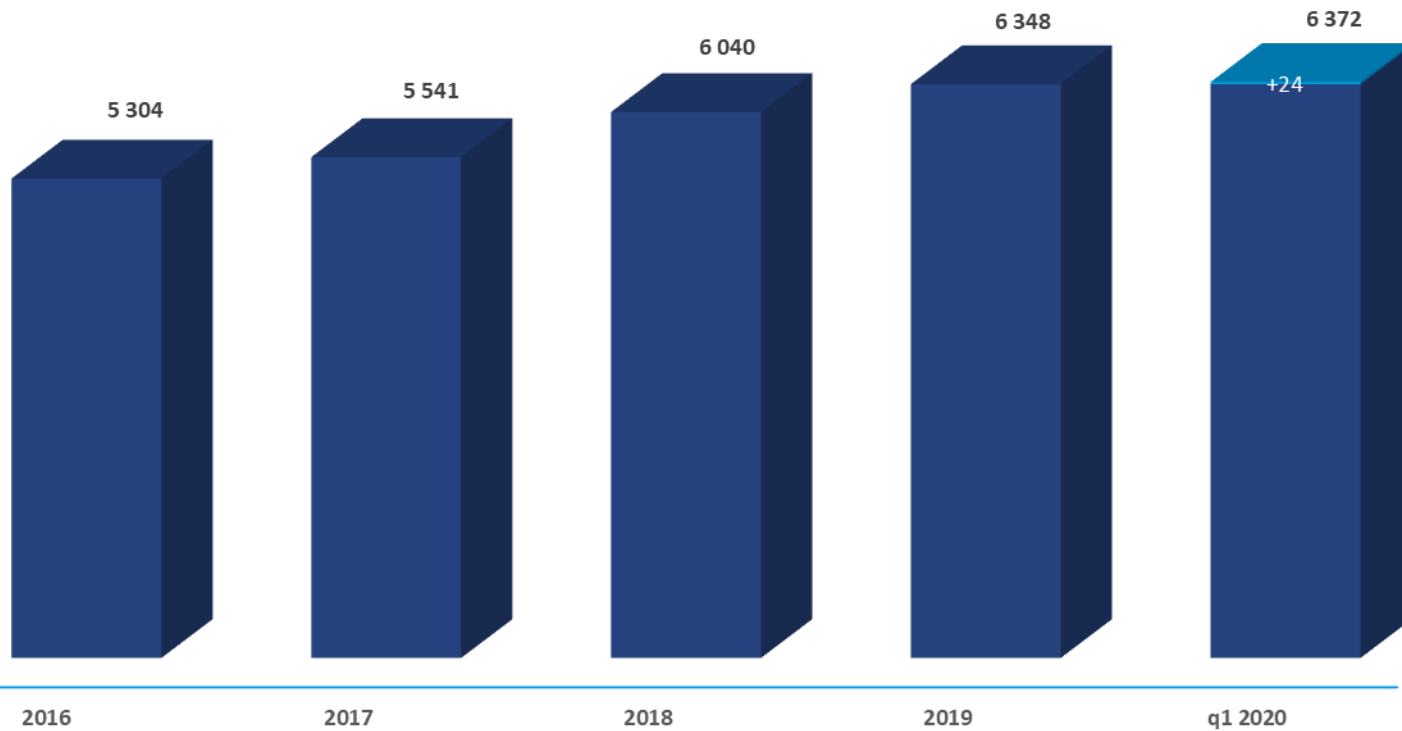
In PLN thousand

COMARCH

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Employment in Comarch Group



Employment

- As at the 31st of May, 2020, the Comarch Group hired 6,372 persons, i.e. 24 persons more than as at the 31st of December, 2019
- The fund of basic salaries in the reporting period was 7.3% higher than in Q1 2019

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Investments

- 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
- Group continues its preparatory works related to investment in Comarch Data Center in United States
- Group continues the investment in MKS Cracovia Training Center

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Summary Q1 2020

- In Q1 2020, the impact of the Covid-19 epidemic on Comarch's activities and financial results was limited to the last two weeks of March
- Sales revenues increased in the first quarter of 2020 by PLN 39.1 million, i.e. 11.6%, including PLN 18.7 million of exchange rate differences on receivables
- Sales revenue increased much faster than operating costs - as a result, operating profitability increased to +11.9% and net profitability to +8.0%
- Revenues from export sales increased by 24.1%, thanks to higher sales of IT solutions to the customers from the TMT sector, Industries&Utilities sector and the financial institutions in Europe and Asia
- Revenues from domestic sales decreased by PLN 7.4 million, i.e. 5.1%, as a result of the lack of supplies of third party software to one of the public institutions in Q1 2020
- The financial results in Q1 2020 were significantly affected by the exchange rate fluctuations caused by the outbreak of the Covid-19 epidemic in March 2020

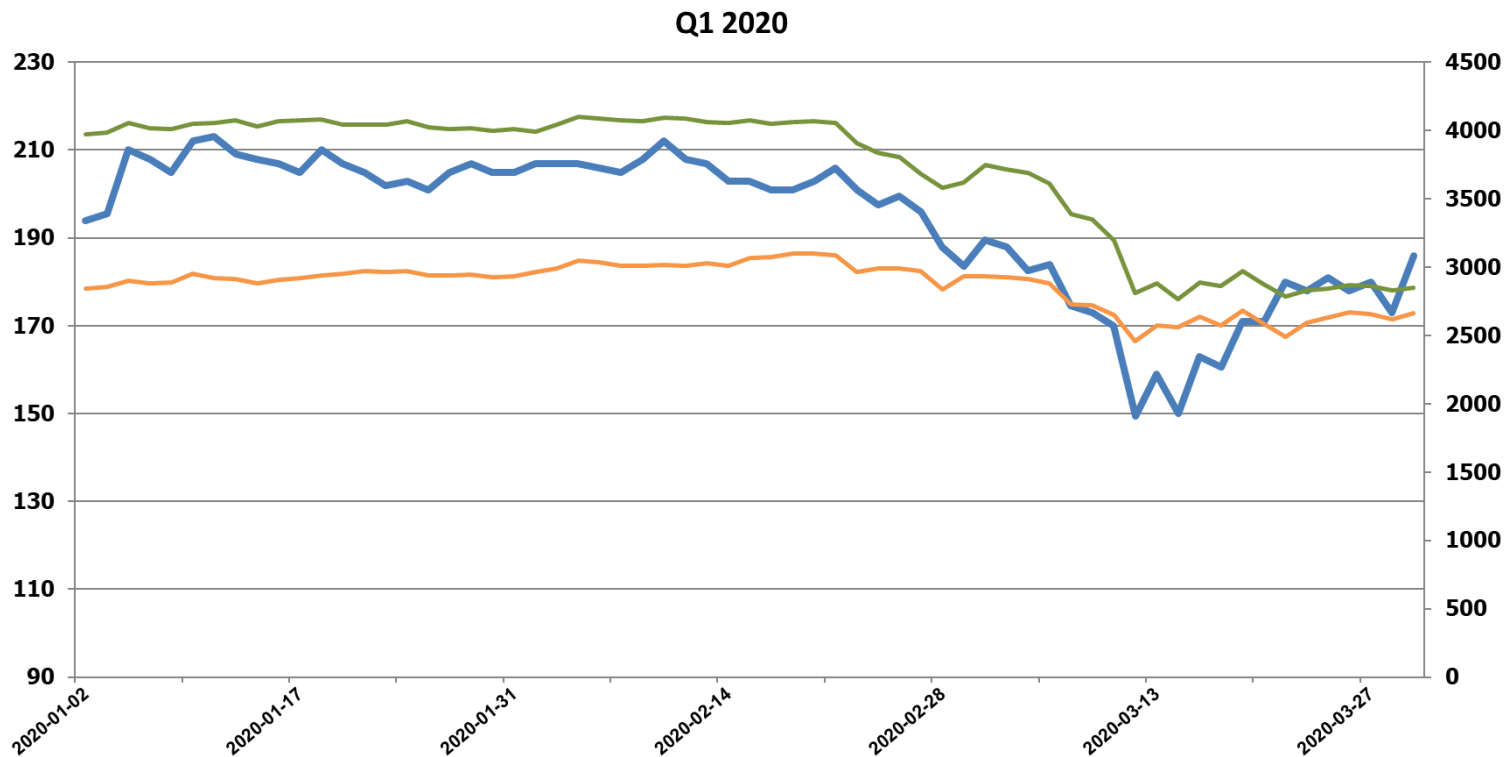
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Impact of Covid-19 on Comarch's Activities

- Q2 2020 will be crucial to assessing the impact of the Covid-10 epidemic on Comarch activities: in April a slowdown in invoicing and contracting was noticeable
- 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, in their case, there may be a problem with obtaining repayments
- We have observed increased interest in telemedicine, telecommunications, cloud and e-invoicing solutions
- 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 revolutionally (reducing business travel, widespread remote work, implementation of GIS recommendations, conducting projects using remote communication methods), both in Comarch and on the client side

Comarch Stock Price on WSE (1.01.2020 – 31.03.2020)



Thank you for attention!

