

COMARCH

Financial Results Q1-Q4 2014

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

4 March 2015, Warsaw

Agenda

- Financial Results
- Sales Structure
- Human Resources
- Investment
- Summary

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Financial Results Q4 2014

	Q4 2014	Q4 2013
Revenue	363 288	313 793
Operating profit	45 631	34 363
Net profit attributable to the company's shareholders	38 308	22 460

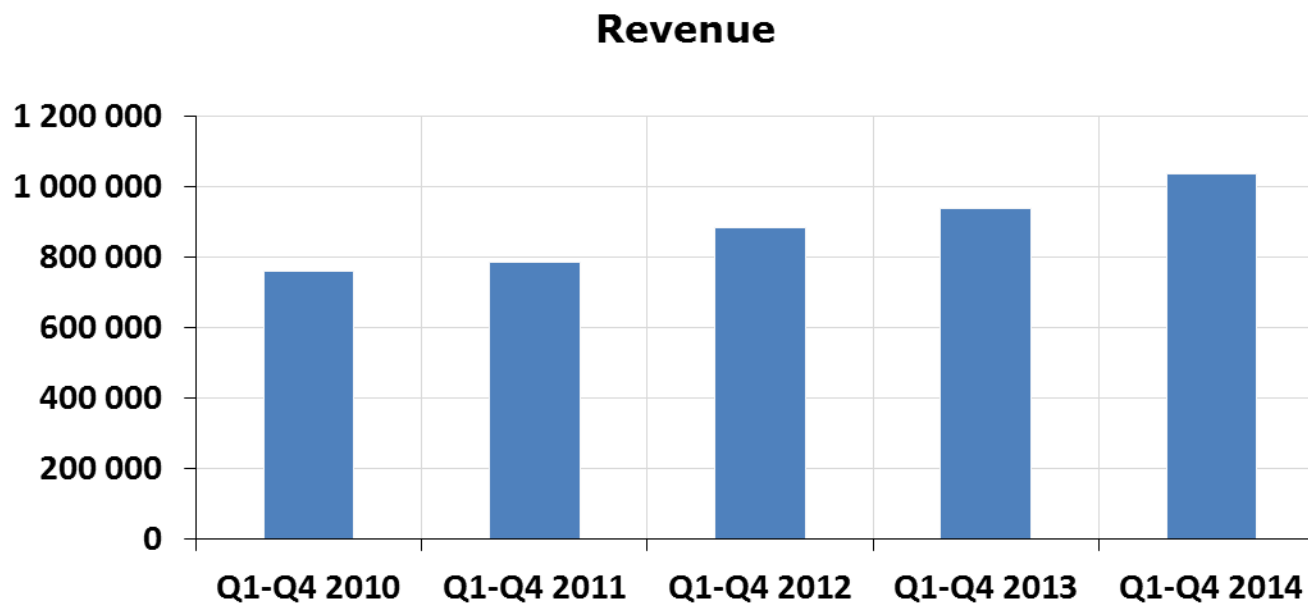
In thousands of PLN

Financial Results Q1-Q4 2014

	Q1-Q4 2014	Q1-Q4 2013
Revenue	1 037 723	938 976
Operating profit	99 485	34 446
Net profit attributable to the company's shareholders	73 088	25 077

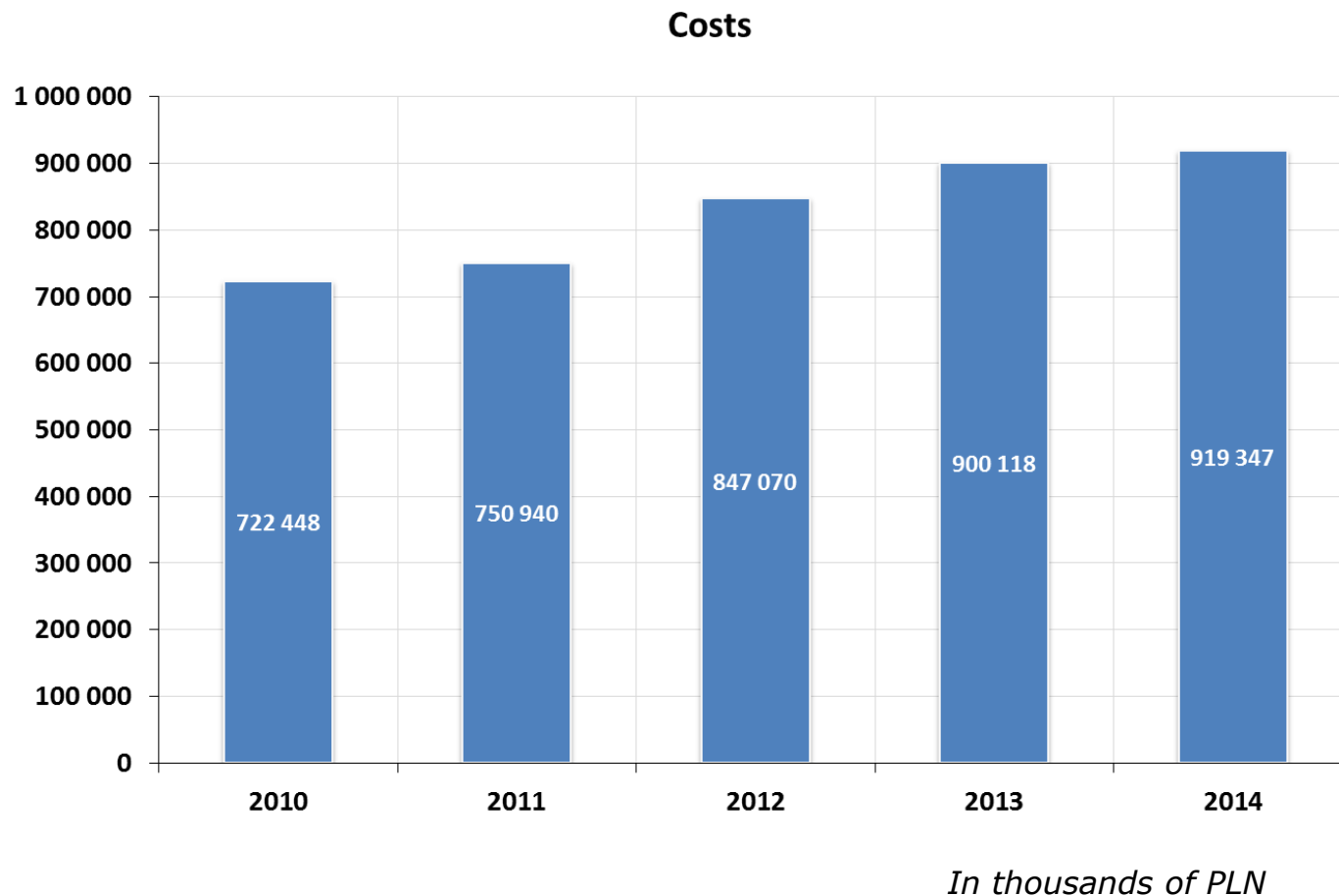
In thousands of PLN

Revenue Q1-Q4 2014



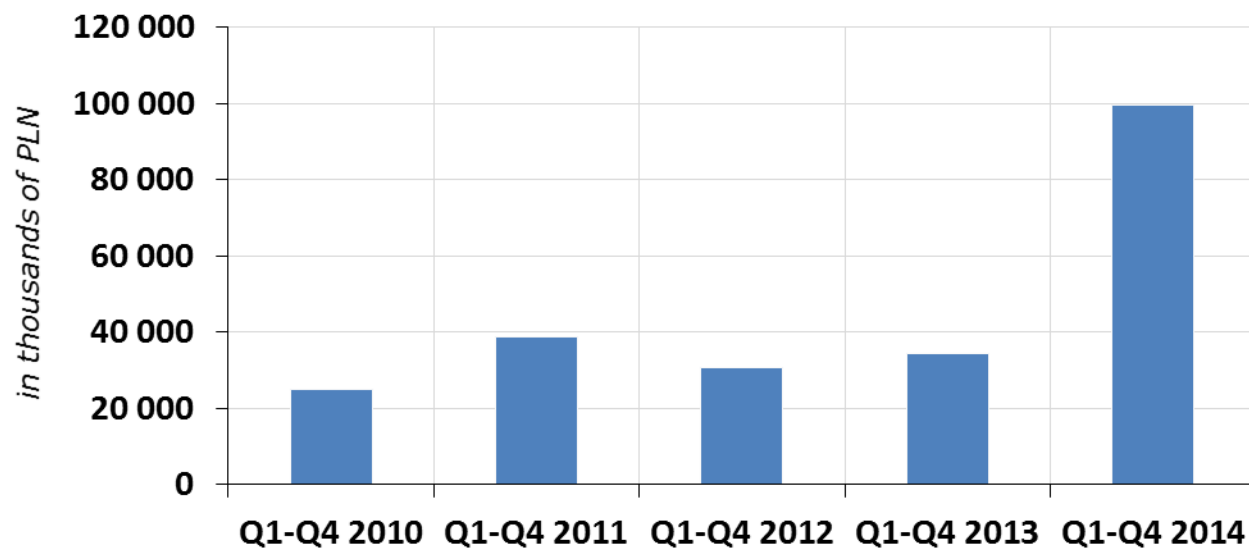
In thousands of PLN

Operating Costs Q1-Q4 2014

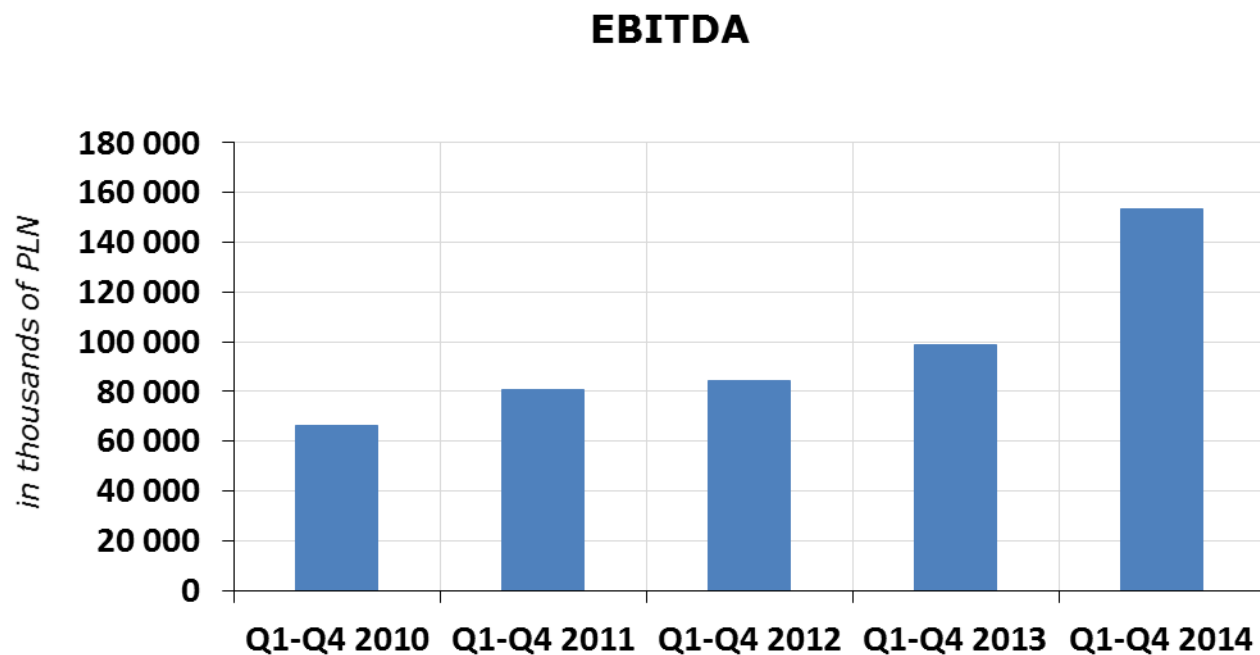


Operating Profit Q1-Q4 2014

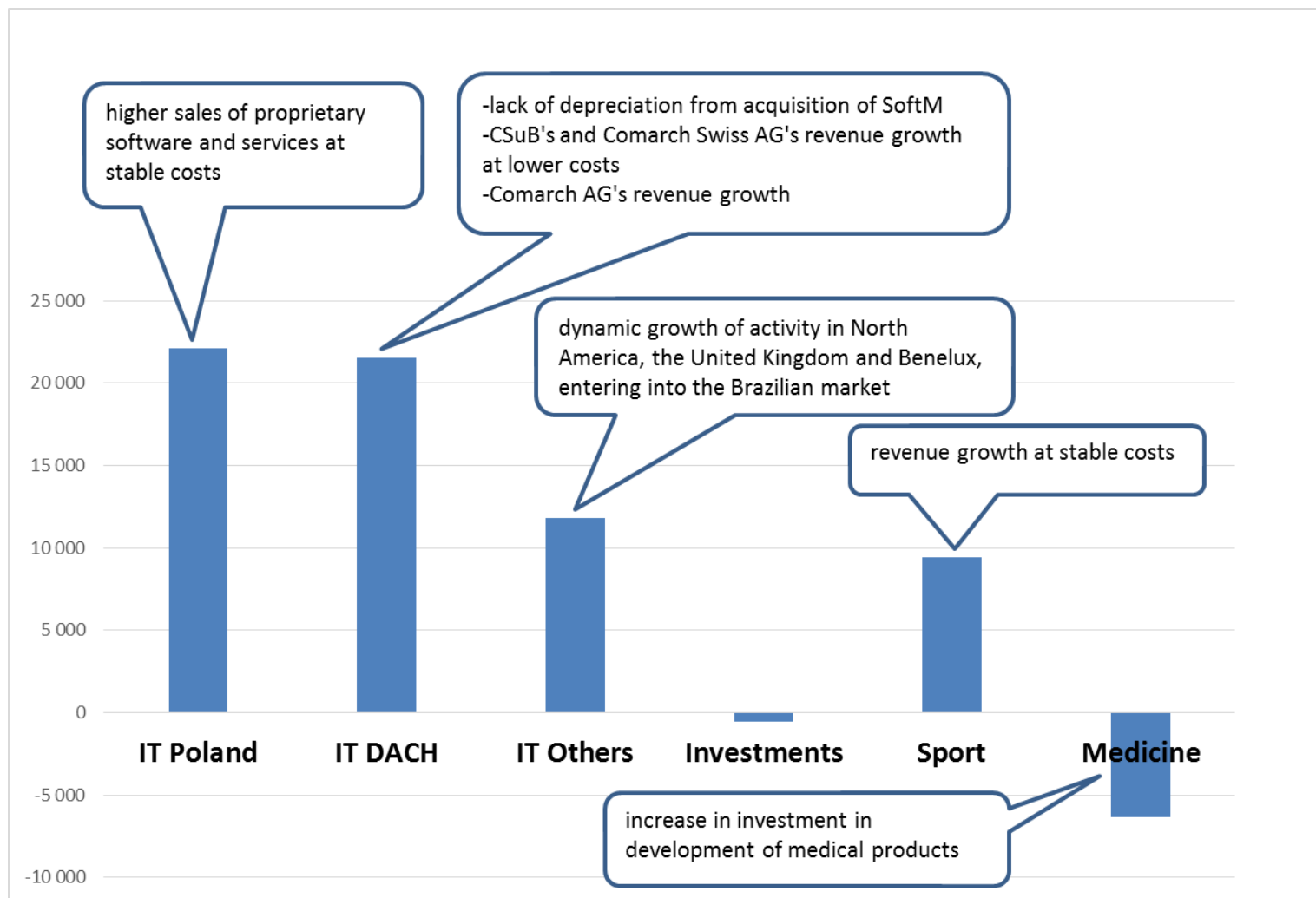
Operating Profit



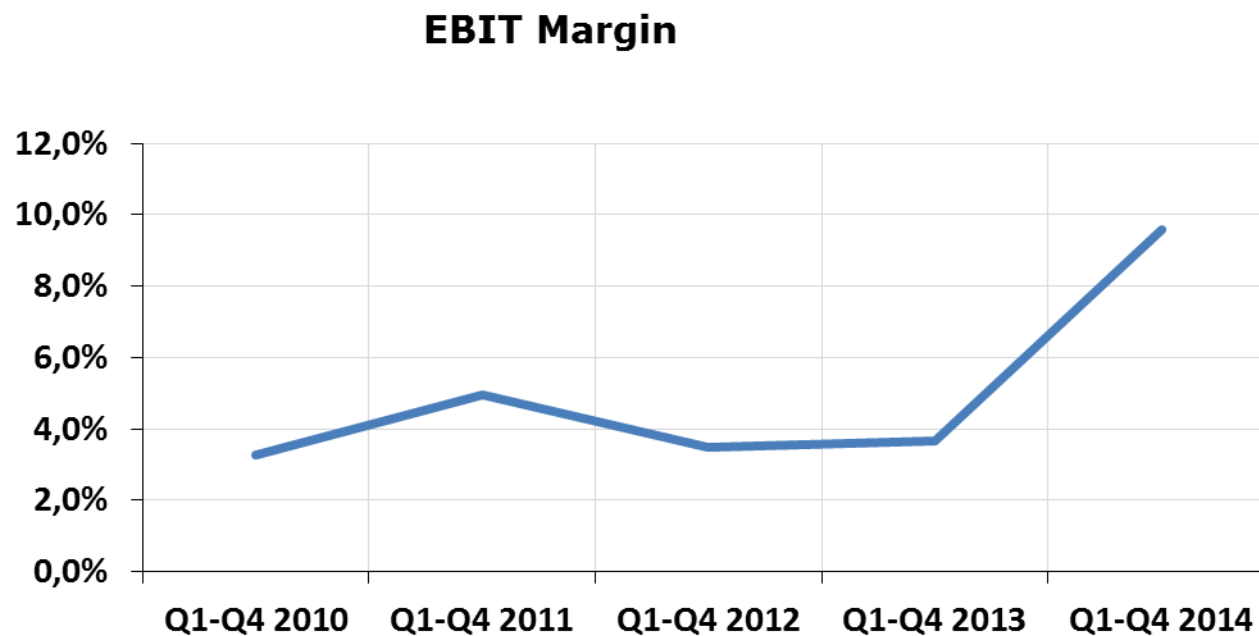
EBITDA Q1-Q4 2014



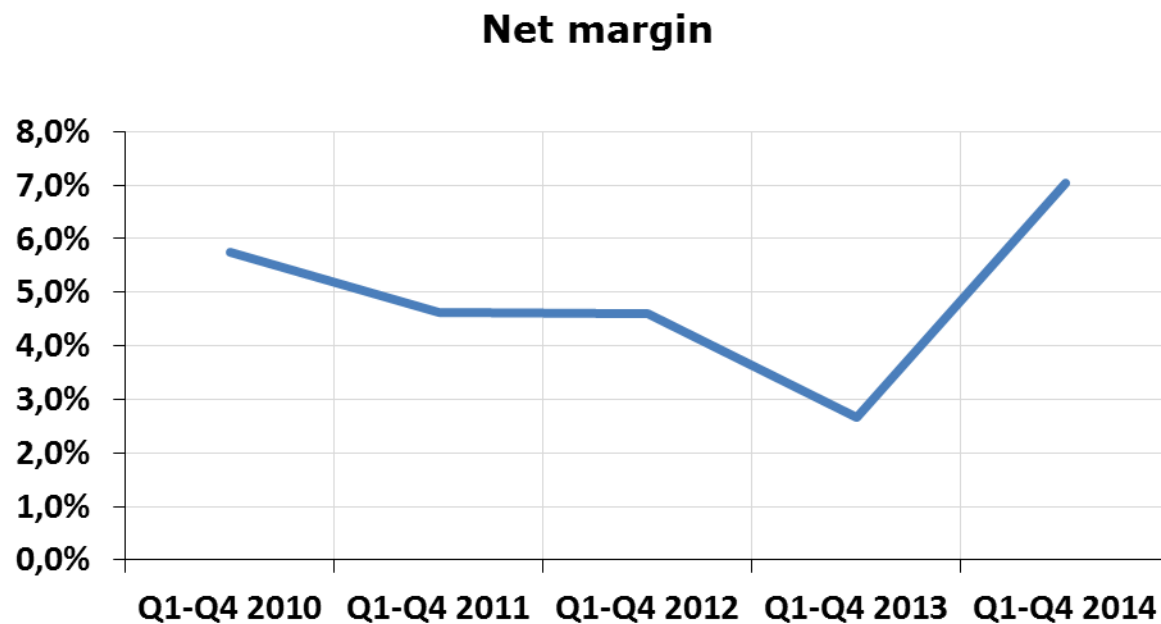
Changing of the Operating Results in Segments Q1-Q4 2014 vs. Q1-Q4 2013



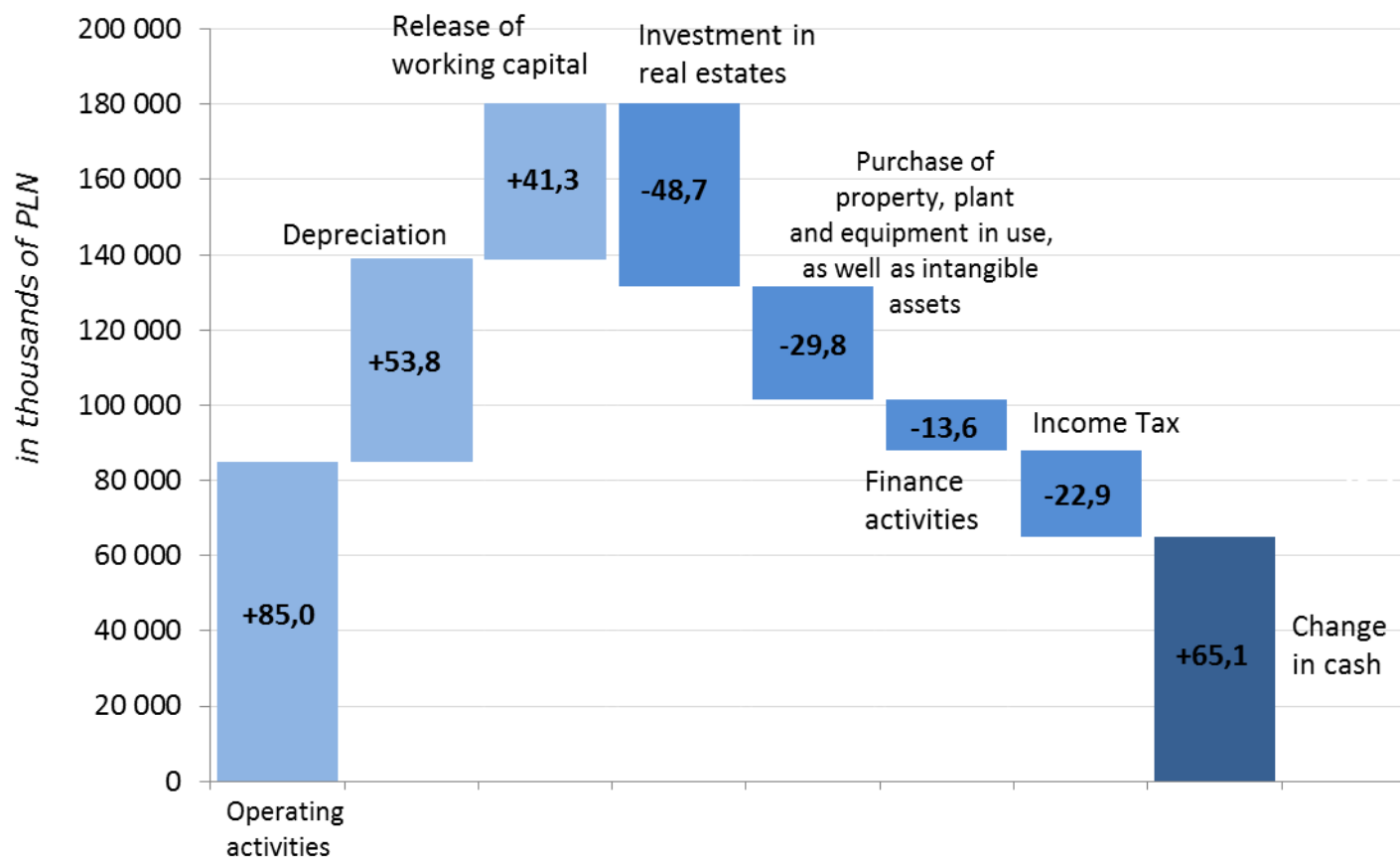
EBIT Margin Q1-Q4 2014



Net Margin Q1-Q4 2014



Cash Flow Q1-Q4 2014

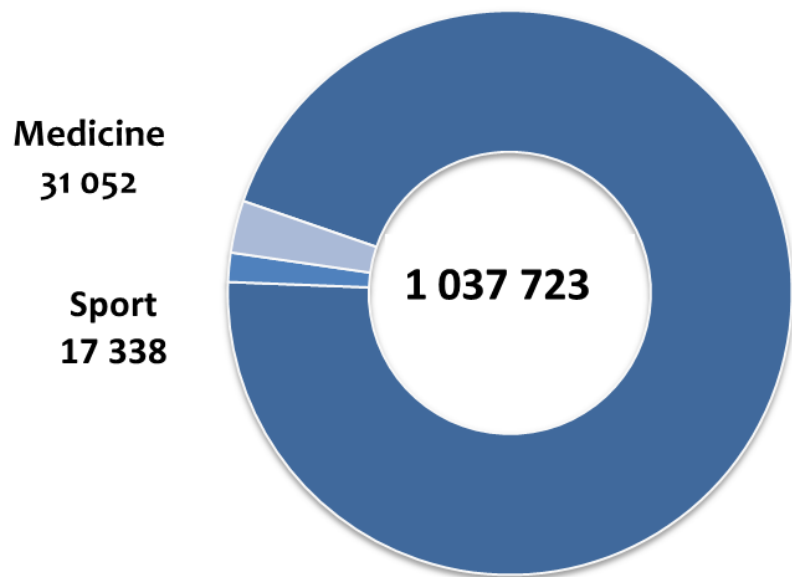


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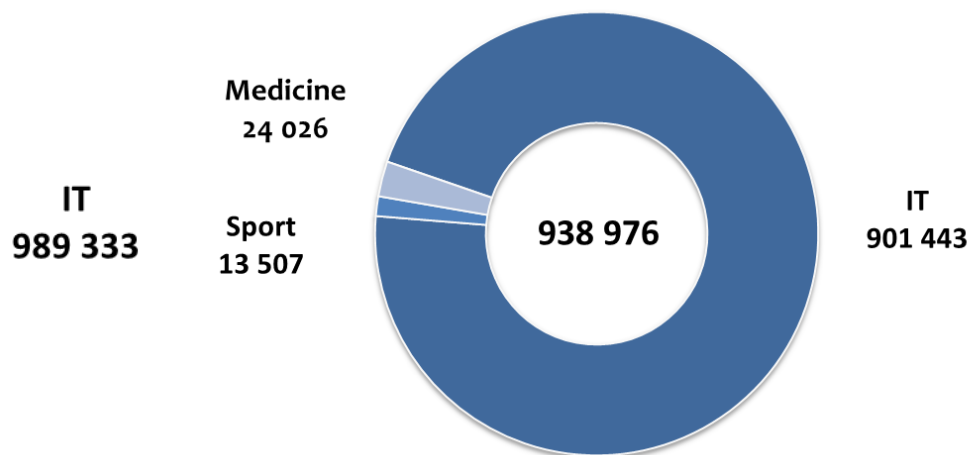
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Market Sales Structure Q1-Q4 2014

Q1-Q4 2014



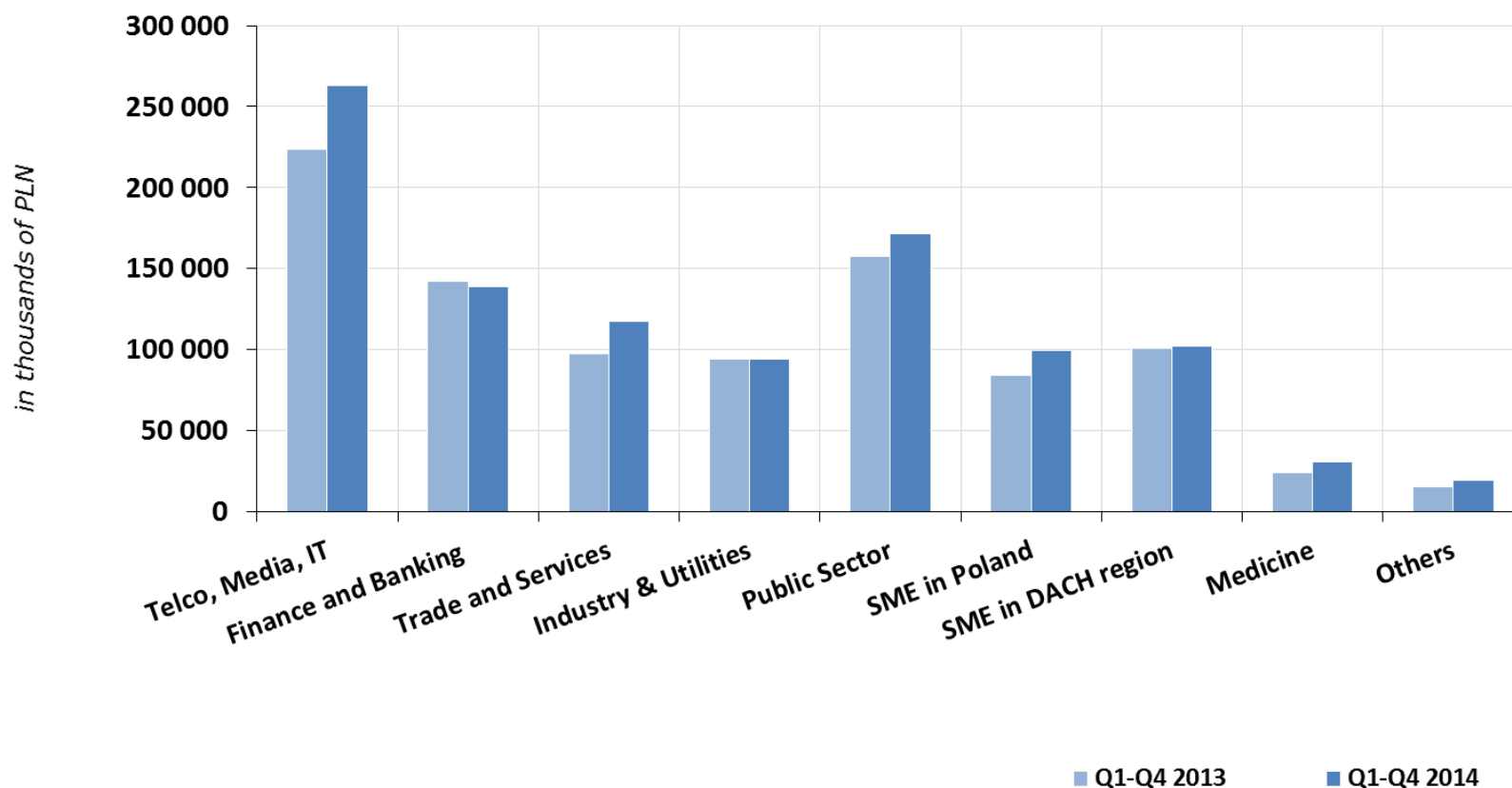
Q1-Q4 2013



Dane w tys. PLN

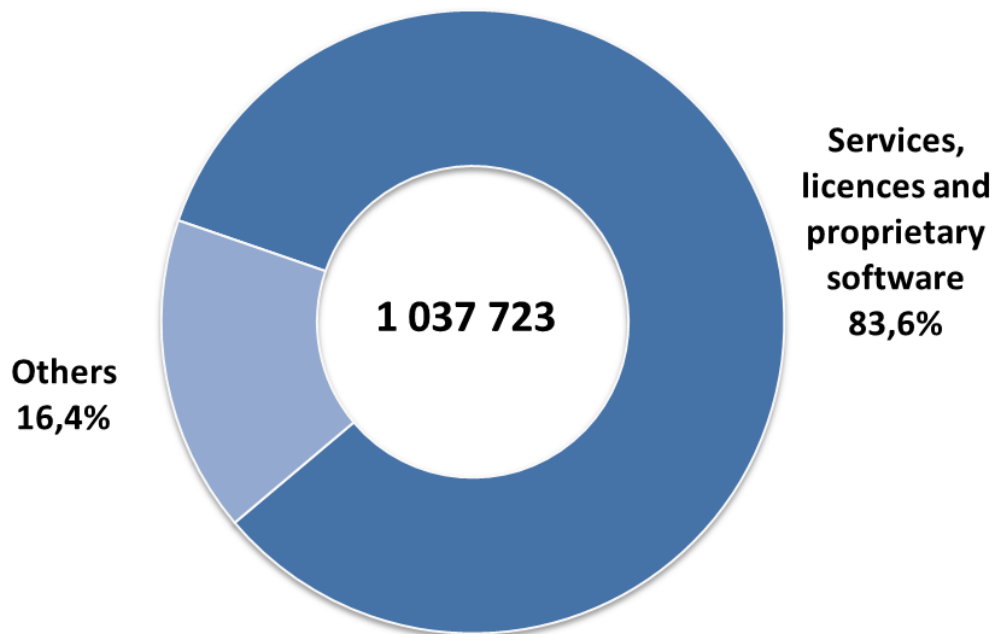
Market Sales Structure Q1-Q4 2014

Revenue from Sectors

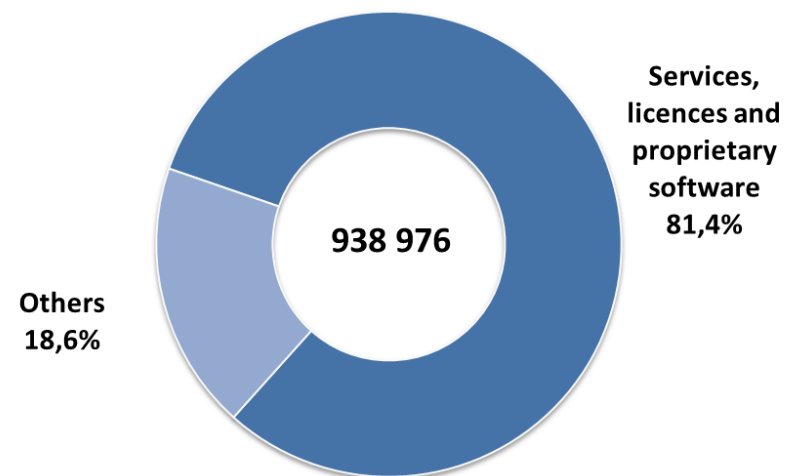


Products Sales Structure Q1-Q4 2014

Q1-Q4 2014

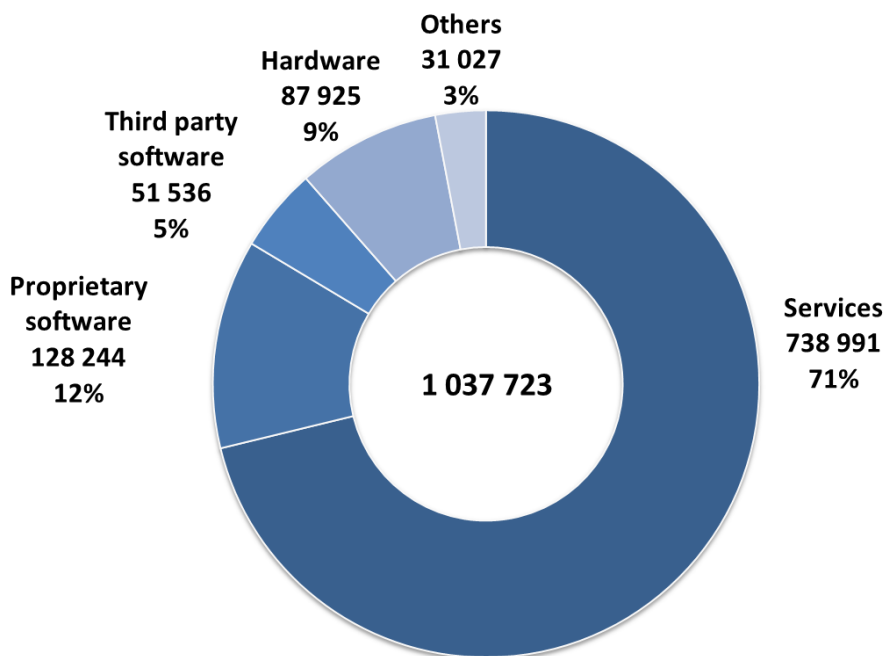


Q1-Q4 2013

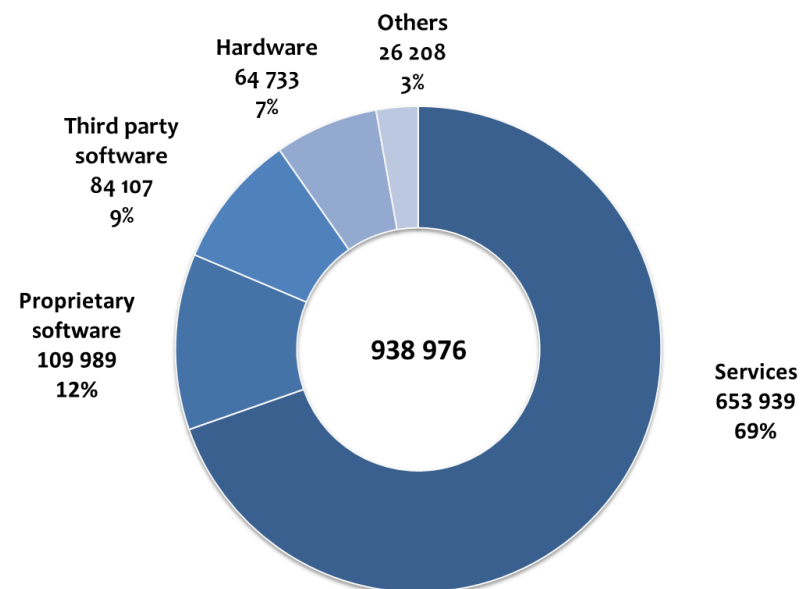


Products Sales Structure Q1-Q4 2014

Q1-Q4 2014



Q1-Q4 2013



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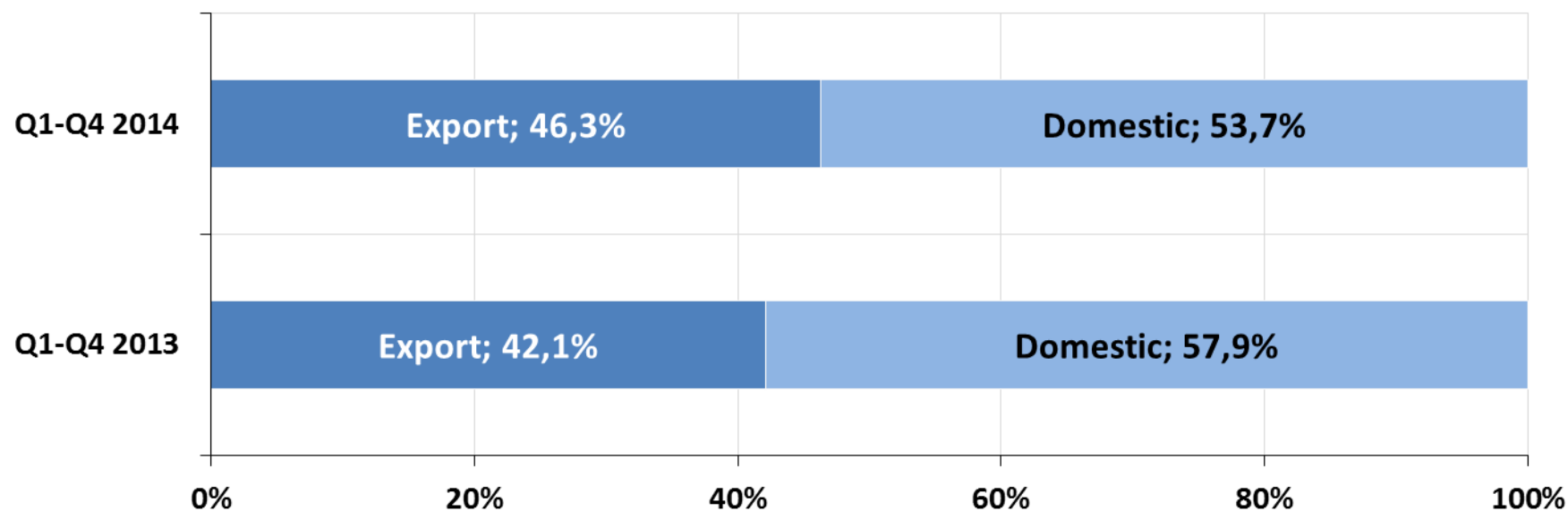
Products Sales Structure Q1-Q4 2014

Comarch Group	Q1-Q4 2014	%	Q1-Q4 2013	%
Services	738 991	71,2%	653 939	69,6%
Proprietary software	128 244	12,3%	109 989	11,7%
Third party software	51 536	5,0%	84 107	9,0%
Hardware	87 925	8,5%	64 733	6,9%
Other	31 027	3,0%	26 208	2,8%
Total	1 037 723	100,0%	938 976	100,0%

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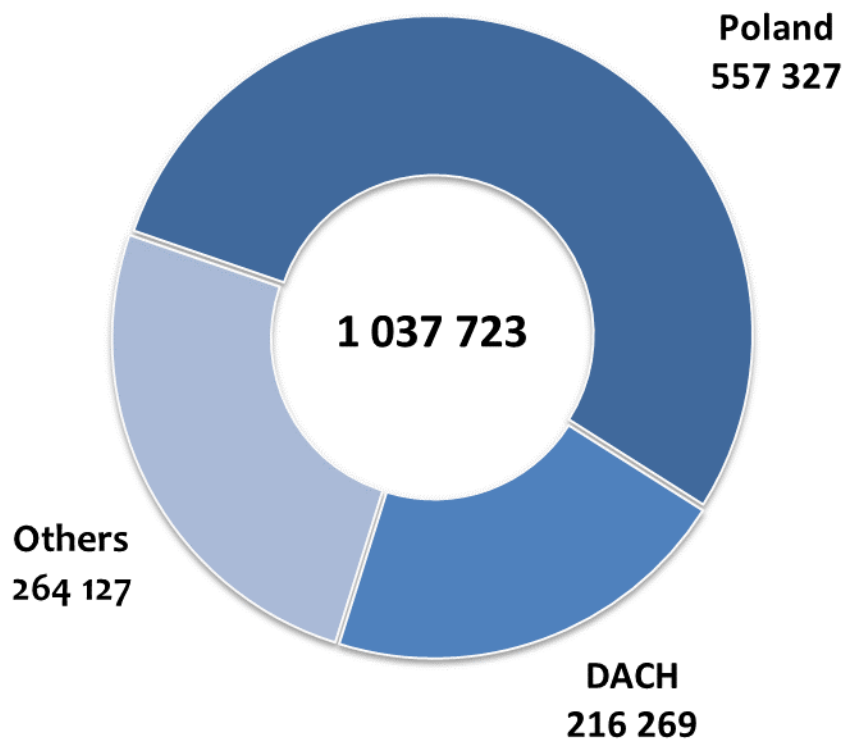
Geographical Sales Structure Q1-Q4 2014

Sales Structure Q1-Q4 2014 vs Q1-Q4 2013

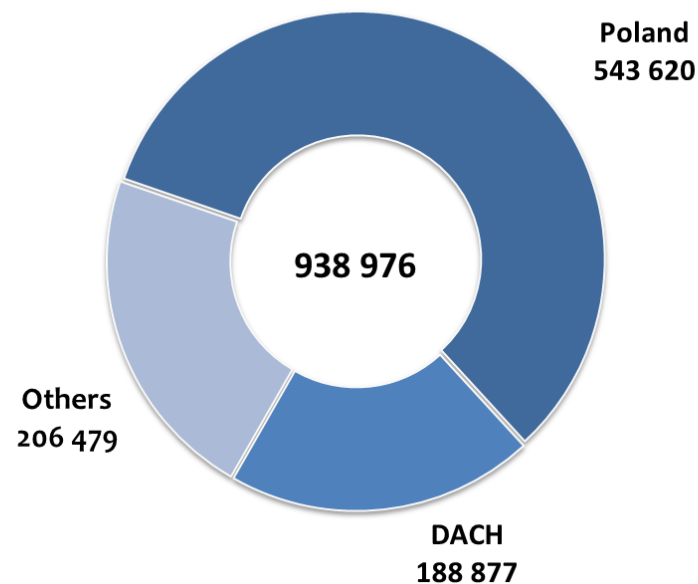


Geographical Sales Structure Q1-Q4 2014

Q1-Q4 2014



Q1-Q4 2013



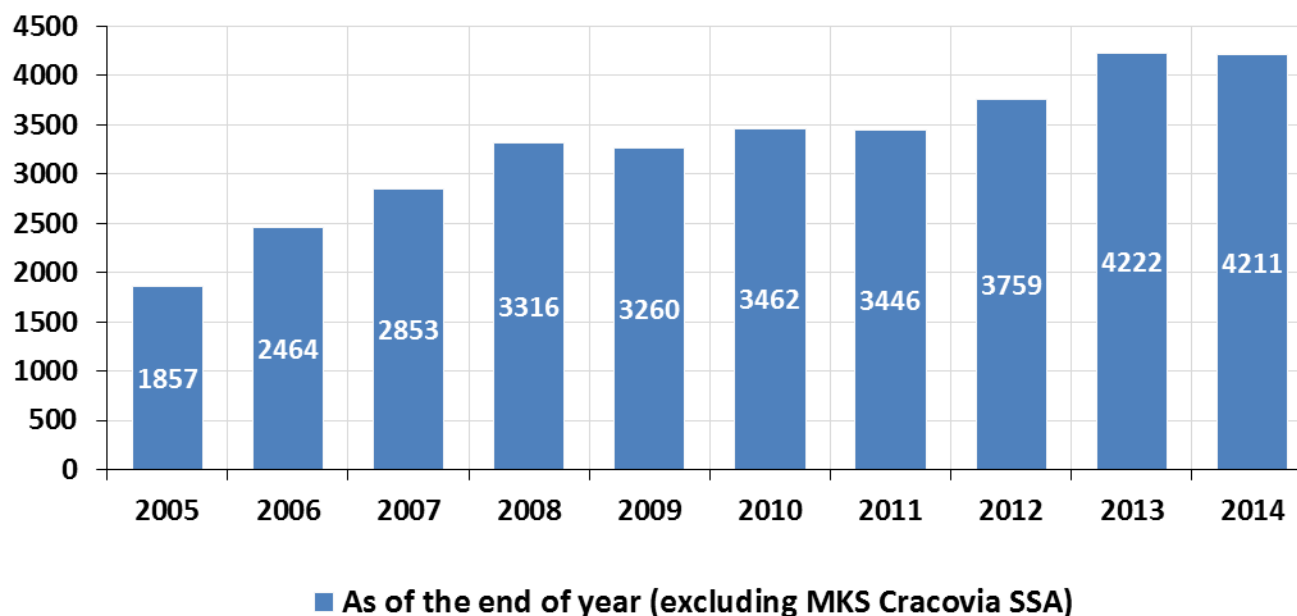
In thousands of PLN

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

Human Resources



Employment Level

- As of **31 December 2014**, Comarch Group had 4,211 employees (excluding those hired by MKS Cracovia SSA), i.e. 11 persons less than as of 31 December 2013 (a decrease of 2.6%)
- In Q3 Comarch Group increased the number of employees at the end of the annual program of summer internships for students
- Continuous pressure on an increase in remuneration in IT sector
- Payroll in Q1-Q4 2014 was approx. 5% higher than in Q1-Q4 2013

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Investment in Q1-Q4 2014

- Continuous high expenditures for R&D, especially within the frame of e-Health
- Continuation of SEZ6 investment in Krakow
 - Planned capital expenditures of PLN 63 million, incurred of approx. PLN 48.7 million
 - Completion of investment in Q2 2015
 - Workplaces for 350 employees
 - New Comarch Data Center
 - The production line Comarch IoT Lab
- New business sector Comarch Technologies
- New companies in Spain, Brazil and Turkey



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Q1-Q4 2014 Summary

- Growth in sales on foreign market (of 31.6%), faster than on domestic market (of 6.1%)
- Substantial increase in sales of services and proprietary software of PLN 103.3 million, i.e. 13.5%
- Stabilization of operating costs, reduced level of depreciation, and as a consequence, significant improvement of margin on core activity and an increase in EBITDA
- Employment level similar to that as of the end of 2013
- Expansion to new markets (Brazil, Turkey)

Plans for 2015

- Backlog's value makes sales growth probable in 2015 compared to those in 2014
- Continuous development of foreign activity, especially in South America – companies are being established in Italy, Malesia and in Canada, as well as some others are planned
- Completion of investment in SEZ6 in Krakow, in Q2 commencement of investment in Łódź
- New branches in:
Kielce, Tarnów



Challenges

- Margin levels similar to those in 2014
- Problems with lack of human resources, pressure on an increase in remuneration in IT sector
- Unstable political situation in the Eastern Europe influences businesses

COMARCH

Thank you