

# webinar

When

Wednesday / June 13 / 2018

Sofia 16:00 EEST / 9:00 EST / 6:00 PST

Subject

# Consolidated results and objectives for 2018

Participants



**Tsvetan Alexiev**

Chief Executive Officer  
Sirma Group Holding



**Radka Peneva**

Chief Financial Officer  
Sirma Group Holding



**Yordan Nedev**

Member of the Board of  
Sirma Group Holding



**Stanislav Tanushev**

Director of Investor Relations  
Sirma Group Holding

<http://www.x3news.com>

<http://www.bse-sofia.bg/?page=QuotesInfo&code=SKK&compnum=350&type=S&>

[www.sirma.bg](http://www.sirma.bg)

[www.sirma.com](http://www.sirma.com)

[https://www.youtube.com/results?search\\_query=sirma+group+holding](https://www.youtube.com/results?search_query=sirma+group+holding)

<https://www.facebook.com/SirmaGroupHolding/>

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**Skype: sirmalR**

**Email: ir@sirma.bg**

# Webinar

13.06.2018

- Results for 2017
- First quarter of 2018
- Objectives for 2018



# Please send your questions at:

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**Skype: sirmalR**

**Email: ir@sirma.bg**

## Business Achievements

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**For the 6th consecutive year Sirma achieves a growth exceeding 20%**

### Comparison:

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**If all Bulgarian companies worked in a similar way during these years, today the GDP of Bulgaria would have matched this of countries such as the Czech Republic or Portugal, exceeding that of Greece.**

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**Today, however the GDP of Bulgaria is 3 times smaller than that of Greece and almost 4 times smaller than that of the Czech Republic.**

# The Development of Sirma Group

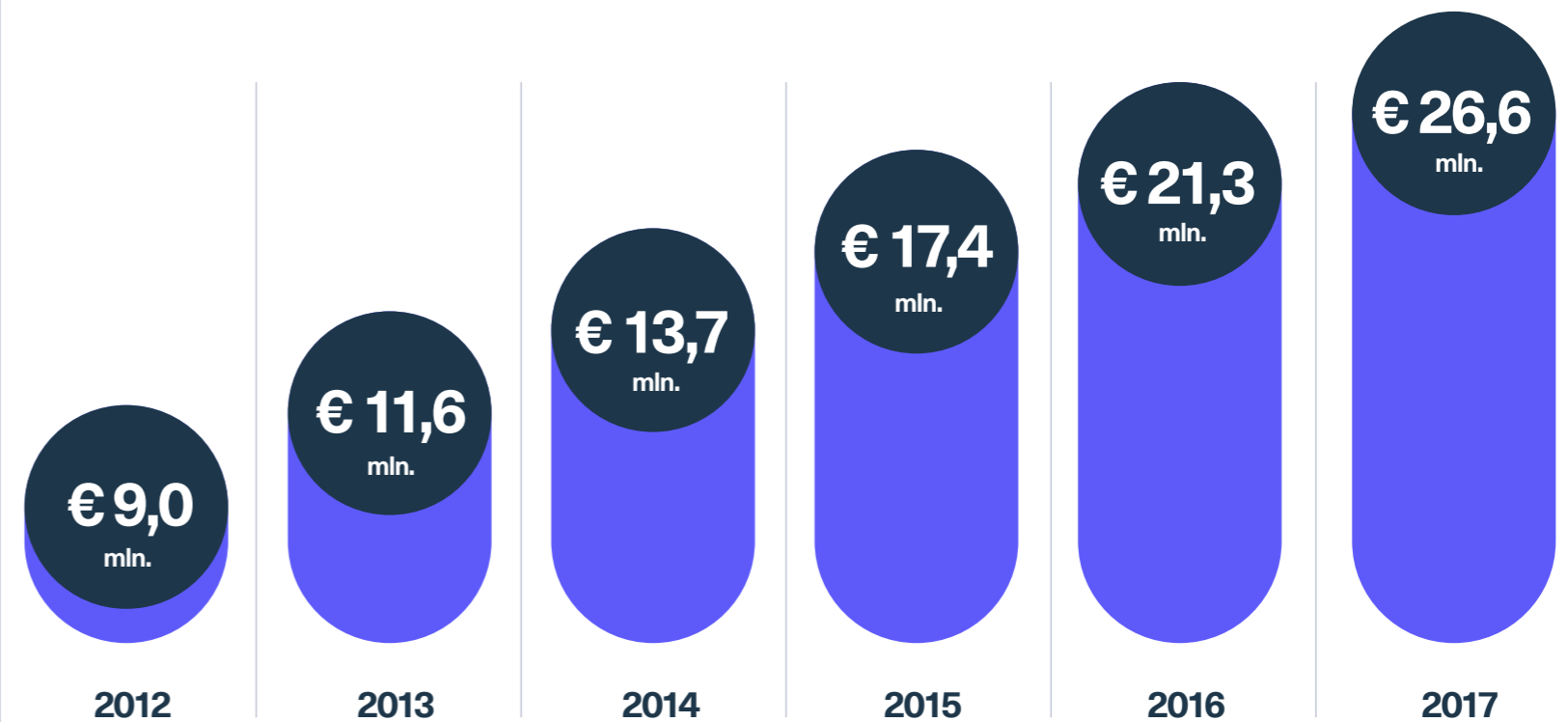
## Facts

Sirma Group is the biggest private Bulgarian IT group with shares traded on the floor of the Bulgarian Stock Exchange. The product portfolio of Sirma includes internationally renowned products which emerged following innovation in the most developed IT areas – solutions for the financial industry, semantics, industrial software, IoT, computer vision, tele-medicine, cyber-security and cloud.

<b>€ 26,6</b> mln.	▶	<b>Revenue</b>	}	Substantial part of the revenue in 2017 was generated from clients that entrusted Sirma for their transition to the Enterprise of the Future
<b>360+</b>	▶	<b>Personal</b>	}	Sirma operates under the brands: Sirma, Ontotext, EngView Systems Daticum, Panaton
<b>60+</b>	▶	<b>Countries</b>	}	Sirma is present on 6 continents
<b>+24%</b>	▶	<b>Growth</b>	}	Average annual revenue growth for 2012-2017

## Sales Dynamics

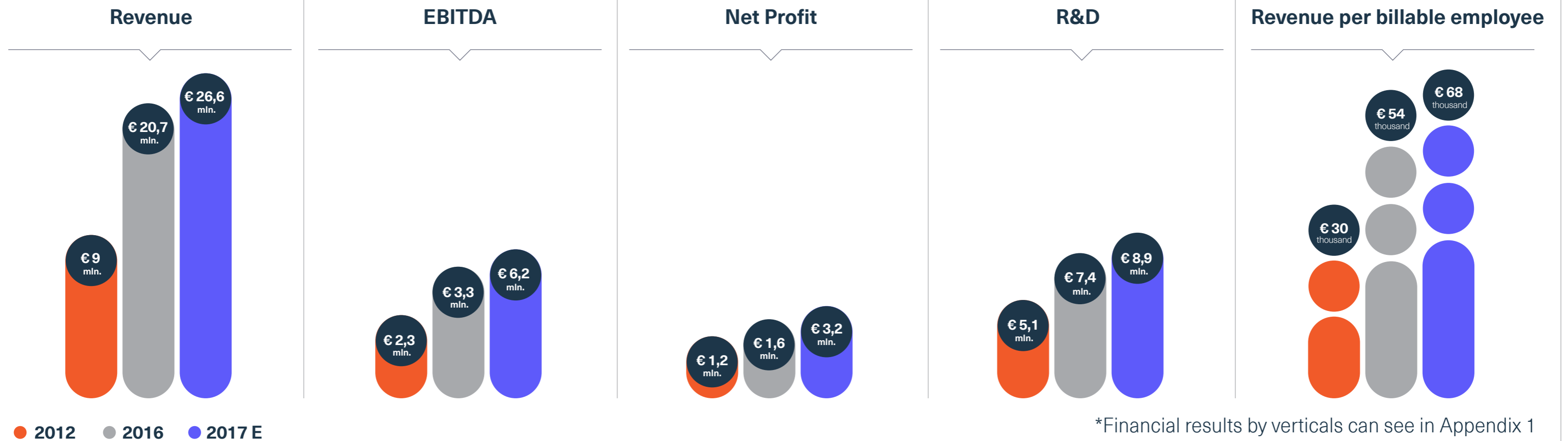
Within 5 years, Sirma has achieved a 24% CAGR as a result of 24% increase in consultancy and R&D activities, successful investments in products, services, and market expansion.



▲ **+24 % CAGR**

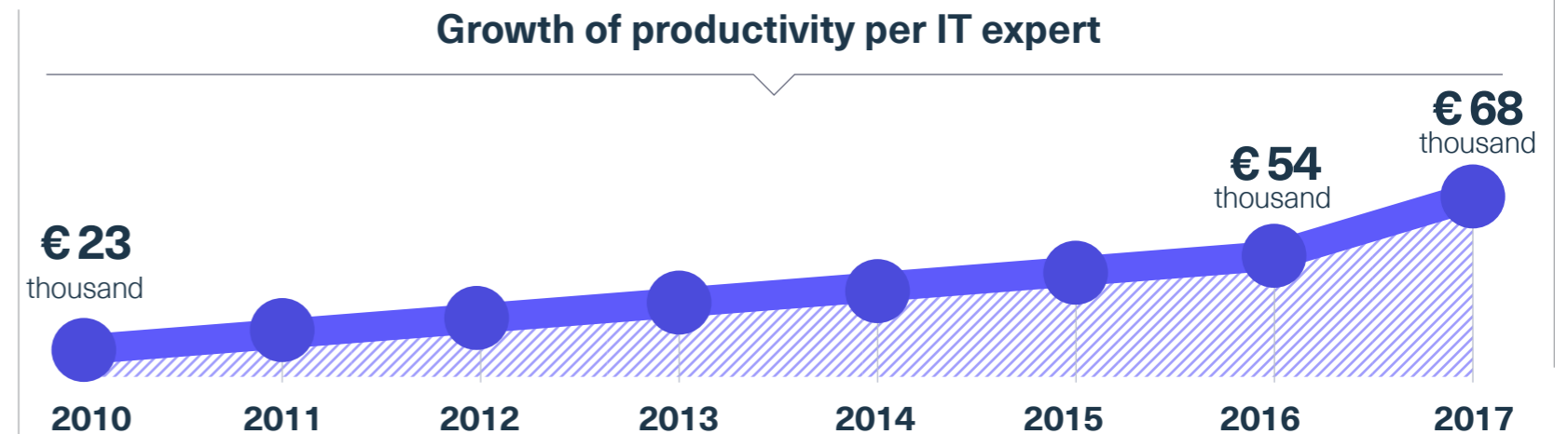
# The Development of Sirma Group

## Consolidated Financial Information for the Group

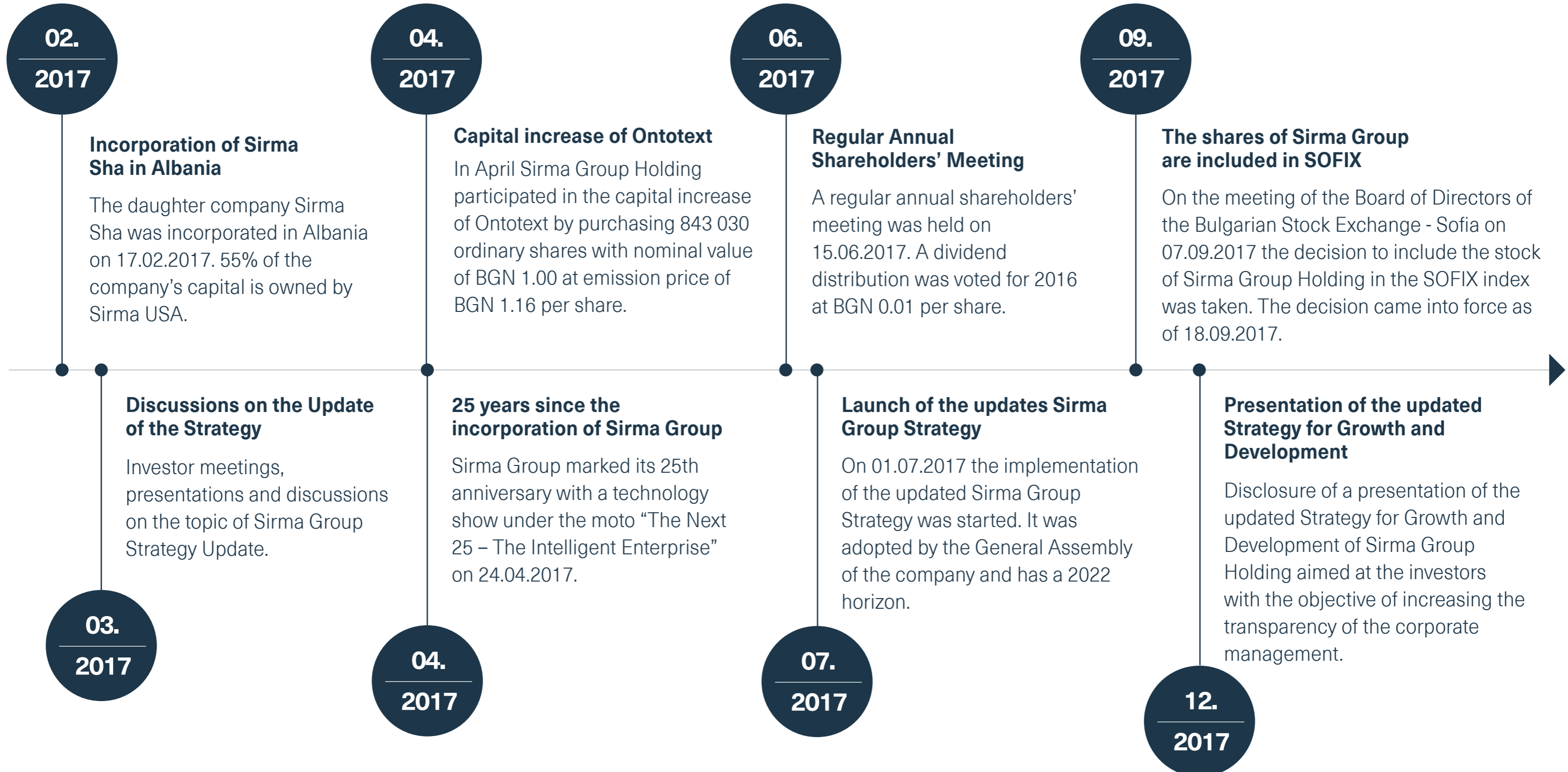


## Business development highlights

- **49%** of sales are generated by clients in the USA and Western Europe. The company is present in the USA, Canada, Brazil, Bulgaria, UK, Albania and soon in UAE and India;
- **23%** share of products revenue;
- **55%** share of recurring client sales;
- **300** IT experts;
- EUR **68 000** of revenue per IT expert.

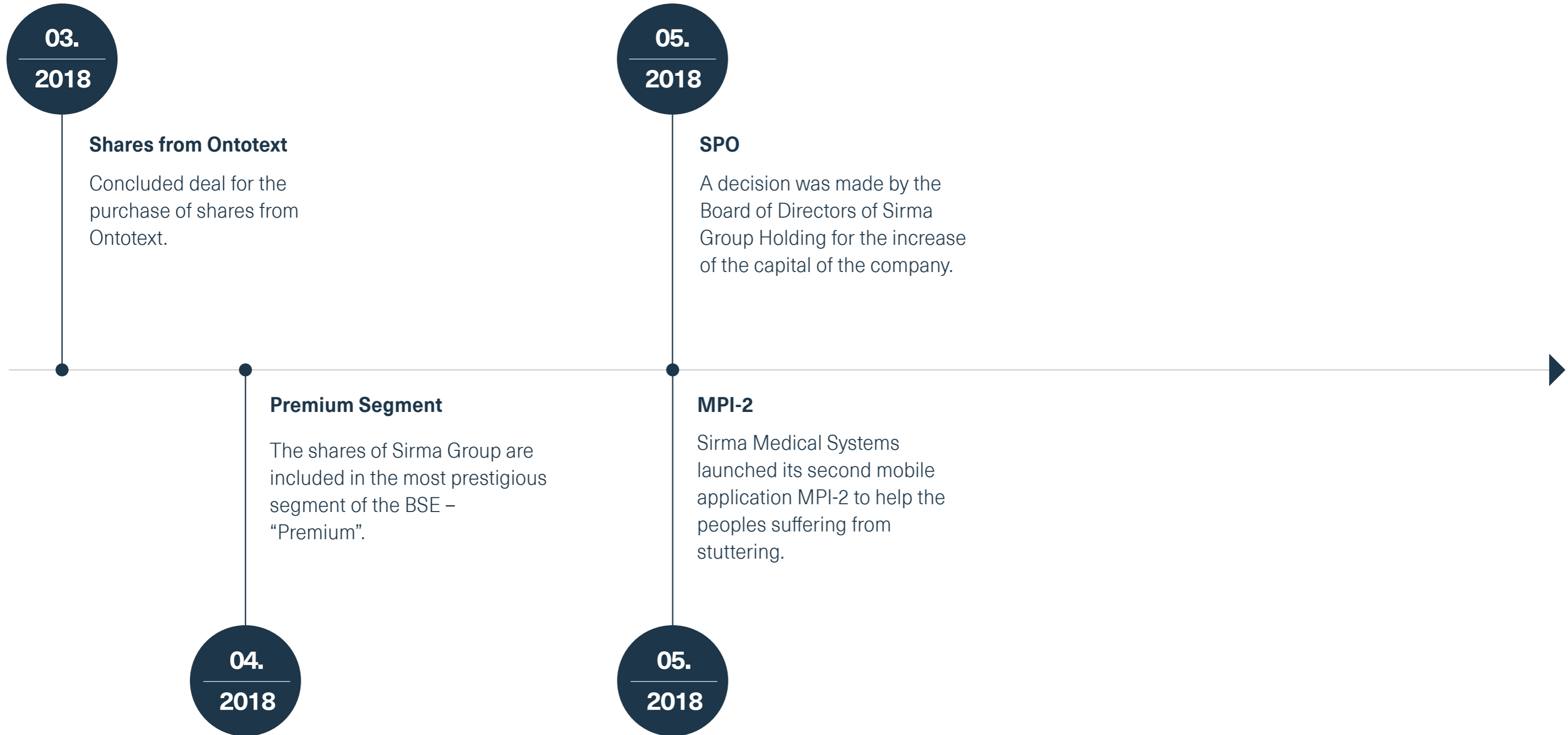


## Main Events in 2017





## Main Events in 2018



## Interesting projects and awards during the last months

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**We started a huge long term project with the Financial Mechanism Office of EEA and Norway Grants (Brussels)**



**For the 3rd consecutive year we won the award at the prestigious show CES in Las Vegas – “Best of the best”, with a product fully developed by Sirma for a client.**



**Three out of the 5 largest STM (Science, Technology and Medicine) publishers use our product GraphDB for the management of their content.**

## Interesting projects during the last months

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**Agreements were signed with two of the largest system integrators in the World: Atos and Infosys**

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**Contract with one of the top 2 banks in the US**

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**Contract with one of the leading agencies for market information**

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**Contract with one of the big 4 consultancy firms**

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**Finalized tens of projects and provided technology to international giants – banks, pharmaceutical companies, industrial groups**

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**Frequently we competed against huge IT companies and won**

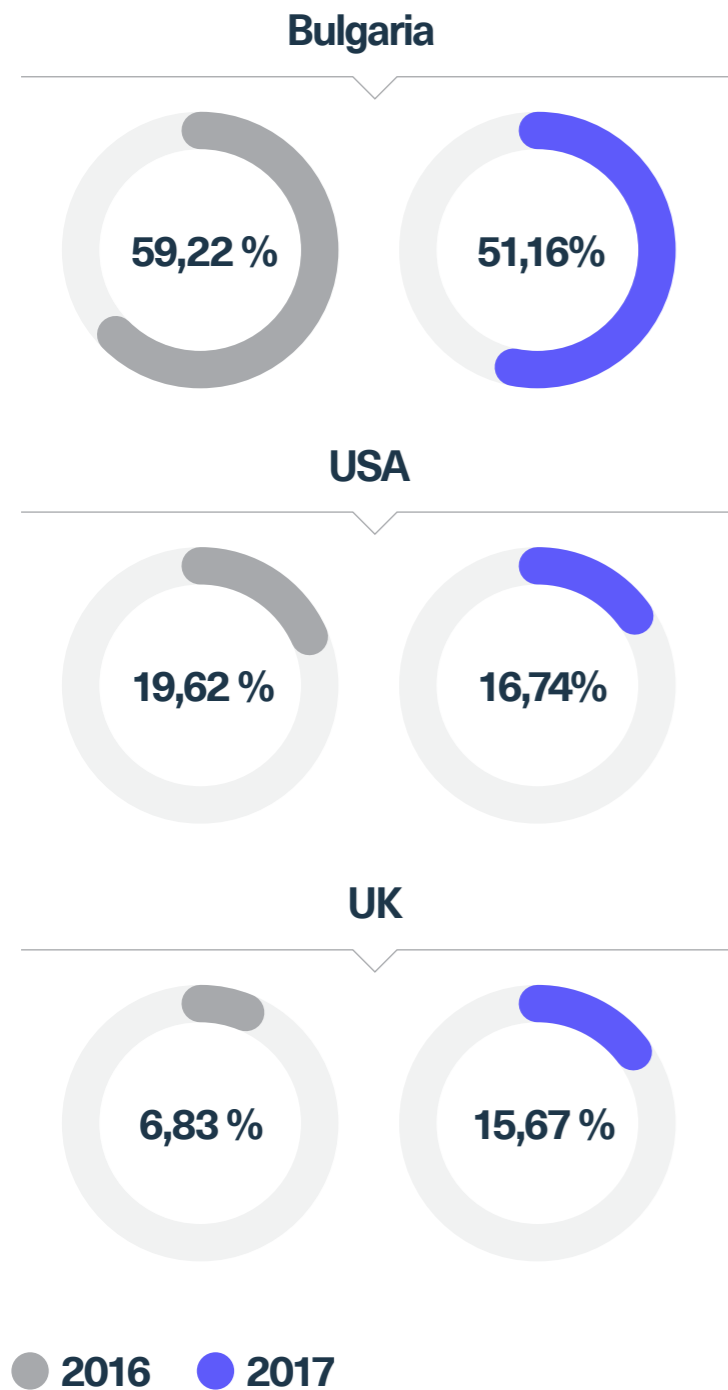
## Consolidated Financial Results 2017

Revenue	EBITDA	ROE
<p><b>52 036</b> BGN in thousands</p>	<p><b>15 363</b> BGN in thousands</p>	<p>2017 <b>5,93</b> %</p> <p>2016 <b>3,74</b> %</p>
<p><b>+25,14</b> %</p>	<p><b>+23,66</b> %</p>	<p><b>+58,61</b> %</p>
Net Profit	EPS	Net Profit Margin
<p>2017 <b>6 190</b> BGN in thousands</p> <p>2016 <b>3 669</b> BGN in thousands</p>	<p>2017 <b>0,1043</b> BGN</p> <p>2016 <b>0,0618</b> BGN</p>	<p>2017 <b>11,90</b> %</p> <p>2016 <b>8,82</b> %</p>
<p><b>+68,71</b> %</p>	<p><b>+68,71</b> %</p>	<p><b>+34,82</b> %</p>

# Geographic penetration of revenue in 2017

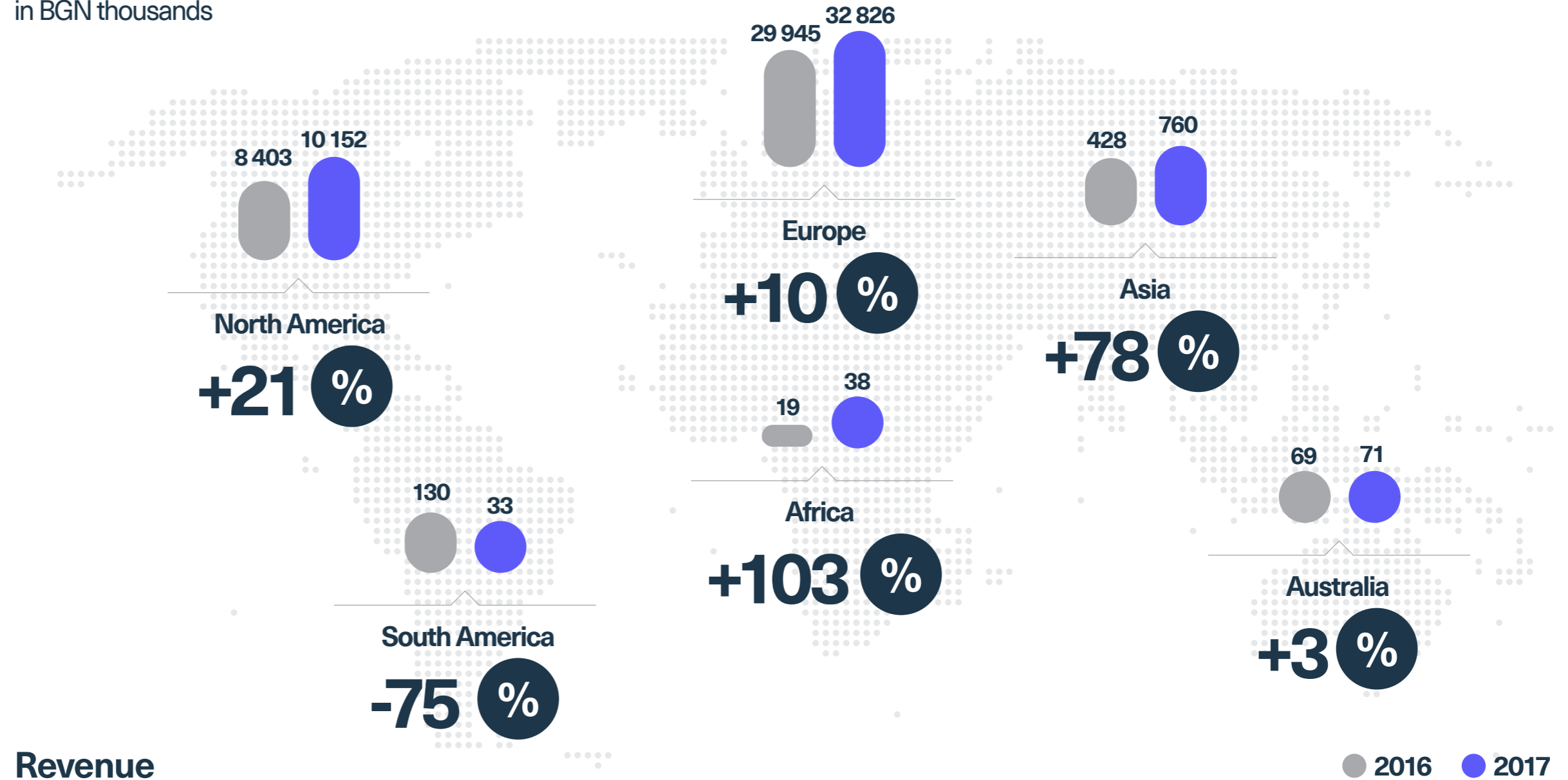
## Top 3 countries

share of revenue



## Revenue by region

in BGN thousands



## Revenue

in BGN thousands



Revenue Growth

**+25,14 %**

## Consolidated Financial Results as at 31.03.2018

Revenue	EBITDA	ROE
<p><b>12 560</b> BGN in thousands</p> <hr/> <p><b>+19,85 %</b></p>	<p><b>2 493</b> BGN in thousands</p> <hr/> <p><b>+19,60 %</b></p>	<p>Q1 2018 <b>1,35 %</b></p> <p>Q1 2017 <b>1,14 %</b></p> <hr/> <p><b>+18,41 %</b></p>
Net Profit	EPS	Net Profit Margin
<p>Q1 2018 <b>1 422</b> BGN in thousands</p> <p>Q1 2017 <b>1 189</b> BGN in thousands</p> <hr/> <p><b>+19,60 %</b></p>	<p>Q1 2018 <b>0,0240</b> BGN</p> <p>Q1 2017 <b>0,0200</b> BGN</p> <hr/> <p><b>+19,60 %</b></p>	<p>Q1 2018 <b>11,32 %</b></p> <p>Q1 2017 <b>11,35 %</b></p> <hr/> <p><b>+19,60 %</b></p>

# The Updated Strategy 2018 - 2022

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**Sirma Group Holding**

## Strategy 2018 - 2022

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**In 2017 Sirma marked 25 years since its incorporation**

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**We developed the Strategy of the company for the next 5 years**

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**Focused on technologies based on AI**

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**We planned the integration of our existing technologies and the results of our future R&D into one mega product – SENPAI**

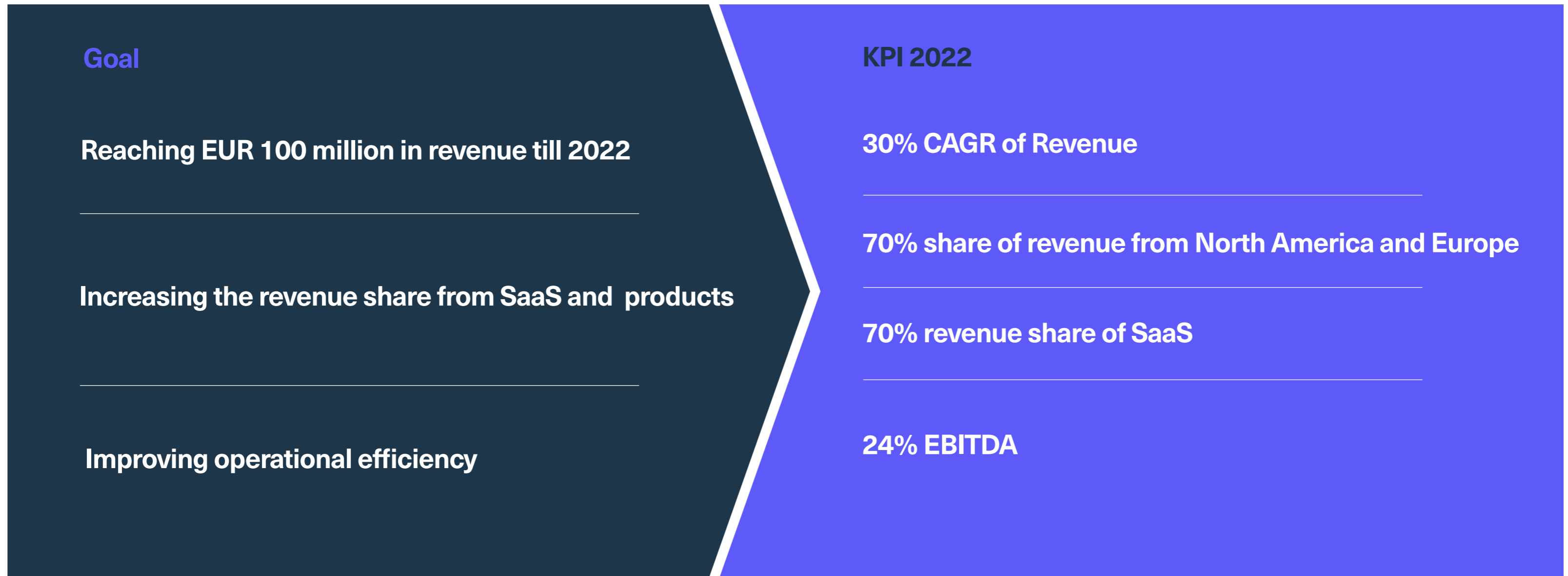
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**Mission – to facilitate the transition to the intelligent organization of our clients**

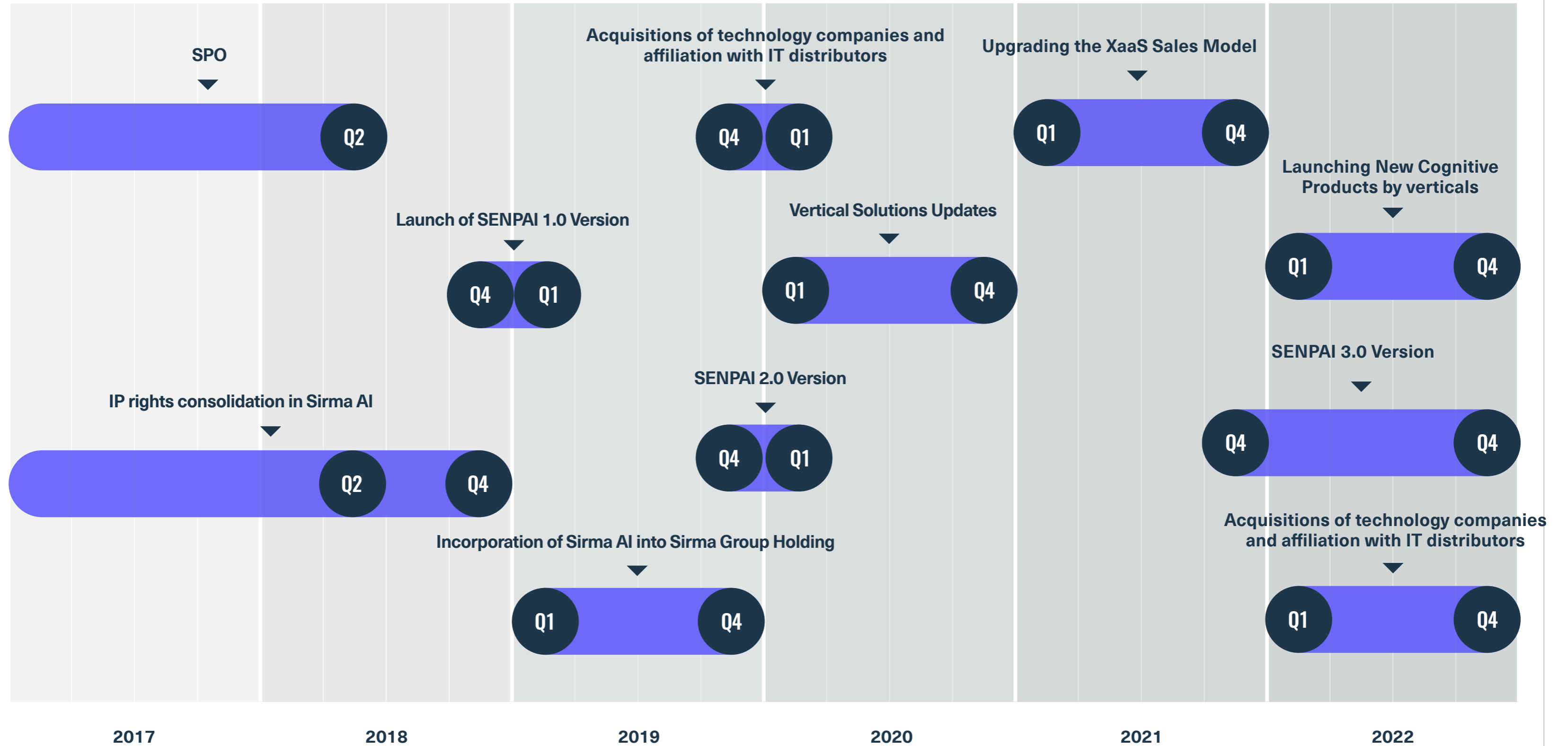


## Strategic Objectives of Sirma Group



**By achieving our goals and KPIs, we will augment the group's value to shareholders, employees, customers and partners.**

# Road Map



## Financials – Forecast

in € mln.

	2017	2018	2019	2020	2021	2022
		Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	26,6	32,5	42,2	56,5	75,7	100
Growth	25 %	22 %	30 %	34 %	34 %	32 %
Operational expenses	17,4	20,5	25,6	31,9	41,4	52,3
EBITDA	8,2	6,4	7,6	12,6	17,8	24,4
Margin	31 %	20 %	18 %	22 %	23 %	24 %
Working capital	-0,2	22	4	3	6	11
Change	-2	22,5	-18,1	-0,9	2,4	5,2
Capital Expenses(R&D)	10,1	8,2	6,6	7,4	8,6	10,1
Share of sales	38,1 %	25,3%	15,6 %	13,1 %	11,4 %	10,1 %
Debt	5,4	9,8	6,4	2,9	2,9	2,8
To EBITDA	66,5 %	152,8 %	83,5 %	23,3 %	16,5 %	11,5 %

# Q&A

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Skype: **sirmaIR**

Email: **ir@sirma.bg**