Where do we stand?

- NT divestment was closed on September 30th
- Ascom is now a one business company
- New management team constituted
- Strategy execution well underway

Ascom focuses on closing digital information gaps allowing for the best possible decisions - anytime and anywhere
Ascom today

Workflow Intelligence in several sectors

B2B

Business-to-business

Wireless on-site communication

Nurse call

Software & integration solutions

Global workflow solution provider for:
- Ad-hoc
- Mobile
- Mission-critical communication
- Decision making

Dedicated solutions for the healthcare sector

Leveraging these solutions in other segments:
- Secure establishments
- Industry
- Retail
- Hospitality

- Headquartered in Baar, CH
- CHF 300m+ annual turnover
- 60% in healthcare,
- 1,300 employees in 15 countries
Ascom’s four main strategy areas

- **OneCompany**: Operational excellence, customer orientation and scale
- **Innovation**: Increased and focused SW investment!
- **Drive Growth and Cash Flow**
- **Sales, Sales, Sales!**: Solution, not product selling
  - Focus
  - Alliances
- **Delivery**: Solution delivery, transformation and thought leadership!
Agenda Investor Day

1. **OneCompany**
   Operational excellence, customer orientation and scale
   
   **Francis Schmeer**
   Executive Vice President
   Marketing & Business Development

2. **Delivery**
   Solution delivery, transformation and thought leadership!
   
   **Claes Ödman**
   Chief Operating Officer

3. **Innovation**
   Increased and focused SW investment!
   
   **André Neu**
   Senior Vice President
   Software Platforms

4. **Sales, Sales, Sales!**
   Solution, not product selling
   Focus Alliances
   
   **Holger Cordes**
   Chief Executive Officer

5. **Drive**
   Growth and Cash Flow
Strategic Area: OneCompany

- **OneCompany** with one mission and one culture
- Streamlined corporate organization to allow economies of scale and market proximity
- Efficiency through corporate standardization and global teams
- Operational excellence
One headquarters for OneCompany

Ascom Organization as of October 1st, 2016

CEO
Holger Cordes*

Legal
Judith Bischof

Corp. Secretary & Communications
Daniel Lack

Sales
Holger Cordes*

COO
Claes Ödman*

Software Platforms
André Neu

CFO
Bianka Wilson*

Marketing & Business Development
Francis Schmeer*

North America
Tim Whelehan

Regional Sales

*also member of the Executive Board
OneCompany Growth Drivers

Sales
– faster feedback and decision-making combined with enhanced global processes
• Direct reporting of regions to CEO
• Region MD’s to reduce non-revenue generating responsibilities
• Sales Transformation office launched

Software Platforms
– accelerating current and future stand-alone software products and applications
• New function managing and developing the current software, applications and platforms businesses
• Increased scale, speed and innovation enables faster time-to-market

Marketing & Business Development
– enhancing demand generation in the short, mid and long term
• Re-engineering to increase speed of demand generation
• Strategic Alliances to drive global sales with largest industry players
OneCompany Efficiency and Effectiveness Drivers

Systems
- growth through global scale, best practice and efficiency of our product lines and operations

- Global Services and Supply Chain, IT, Quality functions integrated as global functions
- Global Services organized to support further service revenue from consulting through recurring

Finance
- transparency, commercial insights and competitiveness through a global function

- Integration of all financial resources into a common team
- New ERP drives cost out of processes and supports faster growth and time to market
Ascom is on target with savings, restructuring costs and timeline

- OneCompany program lowers FTE base
- Process changes result in sustainable structural cost reductions

On track to achieve:
- 10 mCHF in run rate EBITDA savings
- 10 mCHF in restructuring costs
Strategic Area: Delivery

- Thought leadership in transformation of mobile, mission-critical and ad-hoc business processes
- Value and margin enhancement through world class consulting organization
- New and enhanced value proposition through innovative service offerings
- Increase share of recurring revenues

Delivery
Solution delivery, transformation and thought leadership!
Complexity to bridge the chasm in healthcare

Apps and software + Integration + System complexity

Change management
Workflow improvement
Integrations
Lifecycle management
“Power of One” execution

**Product**
- Project Management
- Installation & Commissioning
- Clinical Consulting
- Application Development
- Integration
- Training
- Go-live Assistance

**Solution Lifecycle Management**
- Helpdesk
- Remote Access
- Software Updates & Upgrades
- Remote Support
- Onsite Support
- Interoperability
- Extended HW Warranty

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Why Solution Lifecycle Maintenance?

Customer

- Protect Investment
- Complex and highly integrated environment
- Business-Critical

Solution Lifecycle Maintenance

ascom

- Recurring revenue
- Customer intimacy
- Up selling
- Revenue development

Ascom Solution Lifecycle plan
What do we provide?

Ascom Solution Lifecycle plan

Customer support + Software maintenance + Hardware repair
Success of Ascom Solution Lifecycle plan

- 8,000 Contracts
- 90% renewal rate
- 5-10 years duration
- Software Maintenance
- Repair and Replacement

H1 2016
Solution Lifecycle
Revenue growth

+7.7%

~35%

- 33% Professional services
- 67% Solution lifecycle services
Growth levers moving forward

More Software
Software Maintenance
Solution Lifecycle Maintenance

CAPEX to OPEX
Software as a Service
HW as a Service

Outsourcing
Managed workflow environment
Cloud delivery

Accelerating Recurring Revenues
Professional Services

- Change management
- Workflow analysis and system design
- Clinical assessment
- System delivery
- System validation

- Erasmus, Netherlands
- Norway SE Asia
- GE MMG projects
Customer and Ascom benefits

- Position Ascom solutions
- Pre-study
- Provide professional services
- Input product development

- Pre-tender
- Tender or purchase project
- Go-Live and Continuous improvement
- ROI Efficiency Patient safety

Customer and Ascom benefits

Position Ascom solutions

Pre-study

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ROI Efficiency Patient safety

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OneCompany for Services Growth

500 Service professionals
16 Countries

Global Portfolio
Global Resources
Global Knowledge sharing

OneCompany

10,000 Projects
>50 Global service consultant engagements
8 projects Larger than 1 mCHF
8,000 Solution Lifecycle plans
Ascom Investor Day
Innovation
Introduction: André Neu, SVP, Software Platforms

- Joined Ascom October 1st, 2016

2008 – 2016 Cerner Corporation
Healthcare IT

2007 – 2008 Lorenz Life Sciences
Pharmaceutical regulatory submissions

1999 – 2007 Pervasive Software: Database Technology

5 years as paramedic for German Red Cross

Diploma Business Information Systems
Technical University of Darmstadt (Germany)
Strategic Area: Innovation

- Focused innovation drivers
  - Systems – existing products and applications
  - Platforms – solution driven software innovation
- Investment in in-house software development capabilities and capacities
- Focus on global, open and flexible architecture

Architecture matters!
Market Environment

1991 ERP
- R/3 marked SAP ERP breakthrough and was introduced into many industries

1995 Department Solutions
- Laboratory and Radiology leverage ERP-like information systems to coordinate work and distribute results

1998 BI
- Business Intelligence concepts and technology becoming more common

2002 EMR
- ERP-like coordination of schedules
- Charting on PC

2004 Mobile Computing
- Blackberry
- Salesforce.com
- EDGE, 3G

2006 Mobile Devices
- Smartphones
- Tablets

2016 Point of Care
- Solutions leveraging mobile devices

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Product Portfolio -> Solution Portfolio

Raw Data
- Medical Device Gateway
  - Bi-directional device connectivity

Vitals and alarms

ICU & OR
- Decision support, information aggregation

Alarms

Device Mgmt
- Dispatch
- ACD / Skill-based routing of tasks
- KPI tracking
- Coordinate robot devices

Alarms

Mobile
- Information within clinical context

Nurse Call
- Smart room technology interacting with mobile devices
Expanding the Solution Portfolio

- ICU & OR
  - Decision support, information aggregation
- Mobile
  - Information within clinical context
- Nurse Call
  - Smart room technology interacting with mobile devices
- Medical Device Gateway
  - Bi-directional device connectivity
- Device Mgmt
  - Dispatch
    - ACD / Skill-based routing of tasks
  - KPI tracking
  - Coordinate robot devices
  - Alarms Responses Documentation
- Data
  - Device settings
- Vitals
  - and alarms
  - Medical device settings
- Alarms
- Tasks
  - Documentation
- INVESTOR DAY | NOVEMBER 3RD, 2016 | ASCOM
Contextual information

Location information

Purpose built device

Point of Care
Overarching Operational Challenges in Hospitals

- Time to diagnosis
- Avoid redundant diagnostics
- Faster ICU release
- Monitoring post-ICU
- Optimize post-treatment diagnostics
- Discharge process
- Quality, Hygiene, Documentation

Avoid clinical staff from performing non-clinical tasks

Competition for elective patients
Ensure scheduled patients show up

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Managing Quality in Healthcare

- Forcing functions and constraints
- Automation and computerization
- Standardization and protocols
- Checklists and double check systems
- Rules and policies
- Education and information

Example: “The five rights”: right patient, drug, time, dose, and route

Source: ISMP, “Rank Order of Error Reduction Strategies”
Reducing Nosocomial Infection

“Hospital-acquired infections affect 5 to 10 percent of hospitalized patients in the U.S. per year. Approximately 1.7 million [...] occur in U.S. hospitals each year, resulting in 99,000 deaths and an estimated $20 billion in healthcare costs.”

*Source: “Preventing Healthcare-Associated Infections”, Centers for Disease Control and Prevention

Gram-negative infections are estimated to account for two-thirds of the 25,000 deaths each year in the surveyed hospitals.
Solution Elements

Bedside Patient System
- Display infections
- Detect staff presence

Dispatcher
- Detect when in proximity of infected patient
- Detect when in front of hygiene station

Mobile
- Remind to perform hygiene measures
- Make aware of patients with infection

- Remind person to clean hands
- Given time intervals
- Whenever having been with an infected patient
- Measure time in front of station to ensure it’s really being used
- Make staff aware of infections after shift changes
Clinical Trials

Solution stack
- Medical device connectivity
- Myco for additional documentation
- Reminders for clinical staff to remain within timeline of clinical protocol
- Incorporate case report forms

Improved quality and cost
- Better data (directly from medical device plus electronic forms)
- Better adherence to clinical protocol
- Better coordination of clinical staff (doctors and nurses)
Summary

**Leverage existing client base for cross-sales**

**Creation of innovative solutions**

Closing the gap between healthcare information systems and the Point-of-Care Dispatching platform – Workforce coordination

**Unique Portfolio of Point-of-Care Products**
Strategic area: Sales

- Continue and accelerate solution and strategic sales transformation
- Build strategic alliances
- Assess new market entries in attractive additional geographies
- Strengthen focus and solution sales in non-healthcare markets
- Increase direct engagement of CEO in sales
Sales Transformation

Past: Regionalized Product Sales Organization

Future: Strategic Solution Selling Organization with Global Scale and local Flavor

Transform Organization & Process

- Delayering hierarchy and escalation chain, simplifying processes
- Regions focused on Top Line enabled by globalizing and centralizing back office and delivery skills

Transform Capabilities & Knowledge

- New Sales Transformation Executive with change management experience and coaching/training skills
- Skill and knowledge increase programs
- HR quality initiative
- Harvesting of regional solutions to provide global scale to great ideas
Re-inventing indirect business

Healthcare Channels
- Build strong Alliances team
- Create strong, global value added partnerships
  - Device Manufacturers
  - HIT vendors
  - ICT Services and Integrators

Non-Healthcare Channels
- Re-launching targeted OEM strategy
- Combining with Global Reselling accounts
- Review new and enhanced value propositions with indirect channels
Strategic Growth Opportunities

Portfolio Integration
More Workflows, Apps, SW

New Solutions
New Partners
New Markets
New Services

Alliances
Global Accounts
OEM

Transformation Services
Managed Services

Evaluation of additional emerging markets
Net Additional Revenue Potential

- **Alliances Global Accounts OEM**: Net additional potential: 1-3% CAGR
- **New Partners**: Net additional potential: 3-5% CAGR
- **New Markets**: Evaluation of additional emerging markets
- **New Services**: Net additional potential: 2-4% CAGR
- **Transformation Services Managed Services**: Net additional potential: 1-3% CAGR
- **Portfolio Integration More Workflows, Apps, SW**: Net additional potential: 1-3% CAGR
- **GROWTH New Solutions**
Strategic Growth Opportunities

Total mid-term (2020) growth target:
7-10%

of which:
Healthcare >10%
Non-Healthcare >GDP%
Mid-term Profitability Ambition

- 7-10% Revenue Growth
- 5-7% Sales & Marketing Cost Growth
- 7-10% R&D Investment Cost Growth
- 2% Other Cost Growth

Accelerate Topline Growth
Grow total cost base under-proportionately

Mid-term EBITDA ambition (2020) 20%
Thank you
Legal Disclaimer

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