

WELCOME TO ASCOM'S
2016 HALF-YEAR MEDIA
CONFERENCE

ascom



AGENDA 17 AUGUST 2016

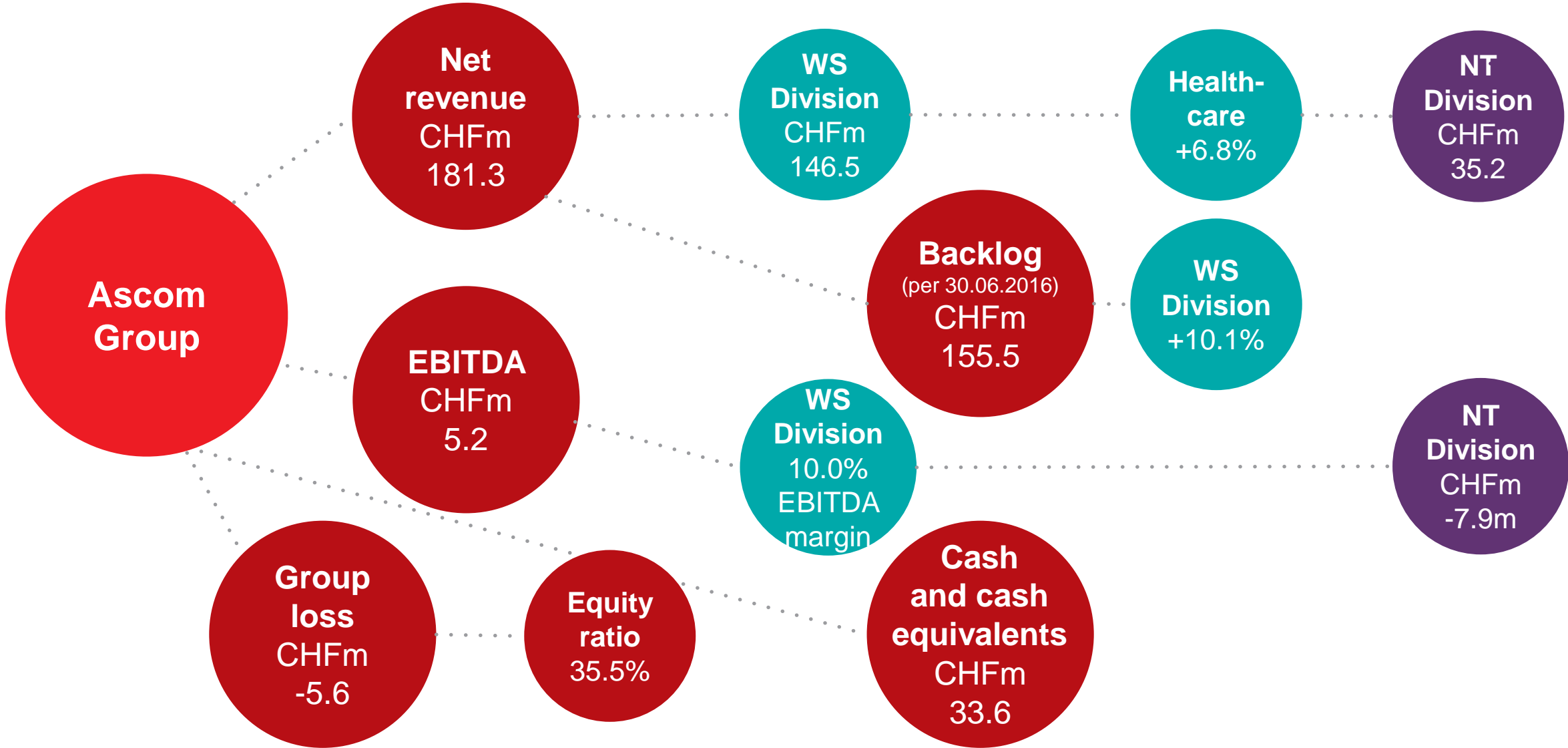
- Welcome Holger Cordes, CEO
- 2016 Half-Year Results Bianka Wilson, CFO
- Strategy Ascom Group Holger Cordes, CEO
- Outlook Holger Cordes, CEO

Financial Results Half-Year 2016

Bianka Wilson, CFO



H1/2016 results at a glance



H1/2016 review

- Integration of UMS acquisition well under way
- Further key project wins on the back of prior year investments...
- ...Strengthening Ascom brand and enlarging our footprint internationally
- Market challenges in WS UK and short-term volatility impact in OEM
- Strong Q2/2016 order intake strengthens backlog for H2/2016 in both divisions
- Evaluation of best strategic opportunity for Network Testing business

Key project wins

1,000 Ascom Myco for one of the largest US hospital systems, covering 17 states

2,000 Ascom Myco delivered to major Northern European state-of-the-art hospital

Mobile Workflow Solution for Sunshine Coast University Hospital Australia

Nurse Call and Workflow Solution for major hospital in South East Asia

Nurse Call and Workflow Solution for University Hospital in Germany

Top line analysis

Incoming orders

(CHFm)

	H1/2015	Organic	M&A	FX	H1/2016	Δ 16/15
Wireless Solutions (WS)	160.0	-3.7%	+0.7%	+1.9%	158.3	-1.1%
Network Testing (NT)	50.0	-7.5%	-8.9%	+2.4%	43.0	-14.0%
Ascom Group	209.9	-4.7%	-1.6%	+2.0%	200.9	-4.3%

Net revenue

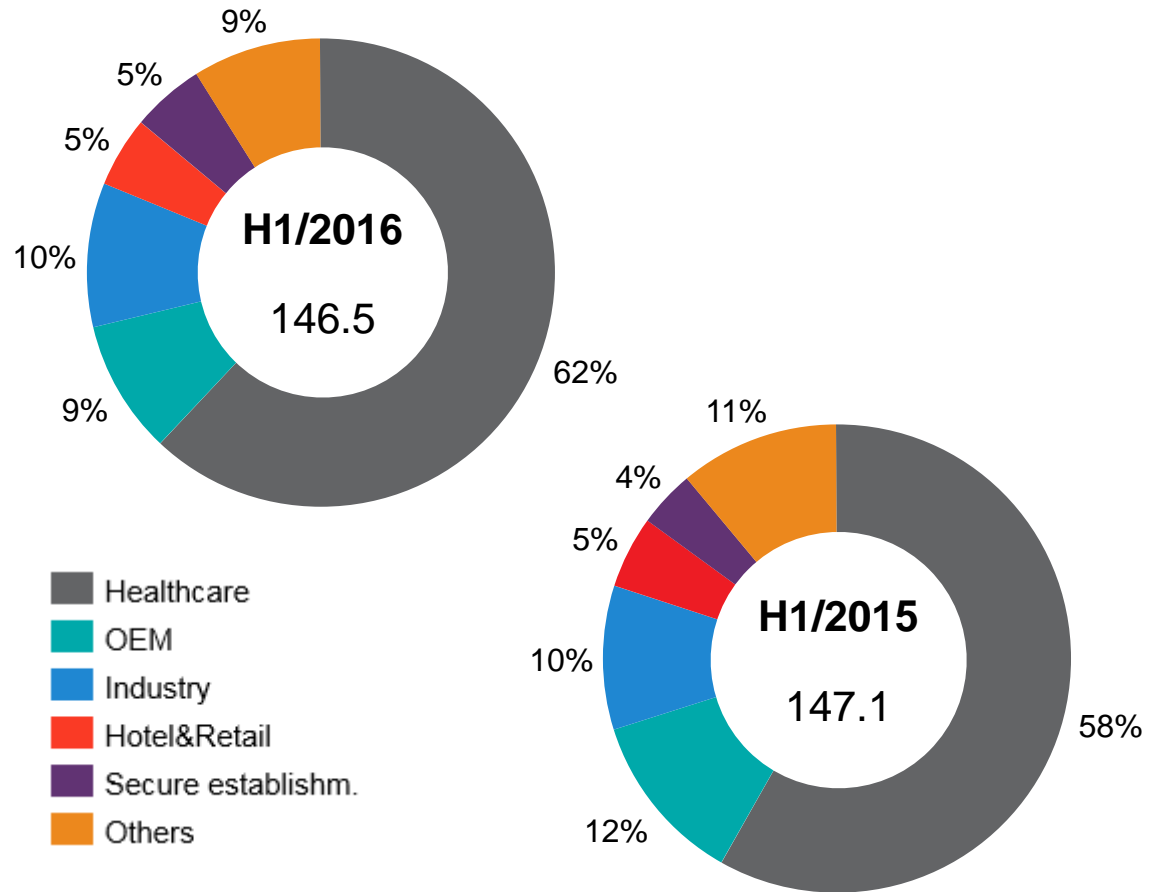
(CHFm)

	H1/2015	Organic	M&A	FX	H1/2016	Δ 16/15
Wireless Solutions (WS)	147.1	-3.2%	+0.9%	+1.9%	146.5	-0.4%
Network Testing (NT)	54.6	-24.4%	-12.8%	+1.7%	35.2	-35.5%
Ascom Group	201.6	-9.1%	-2.8%	+1.8%	181.3	-10.1%

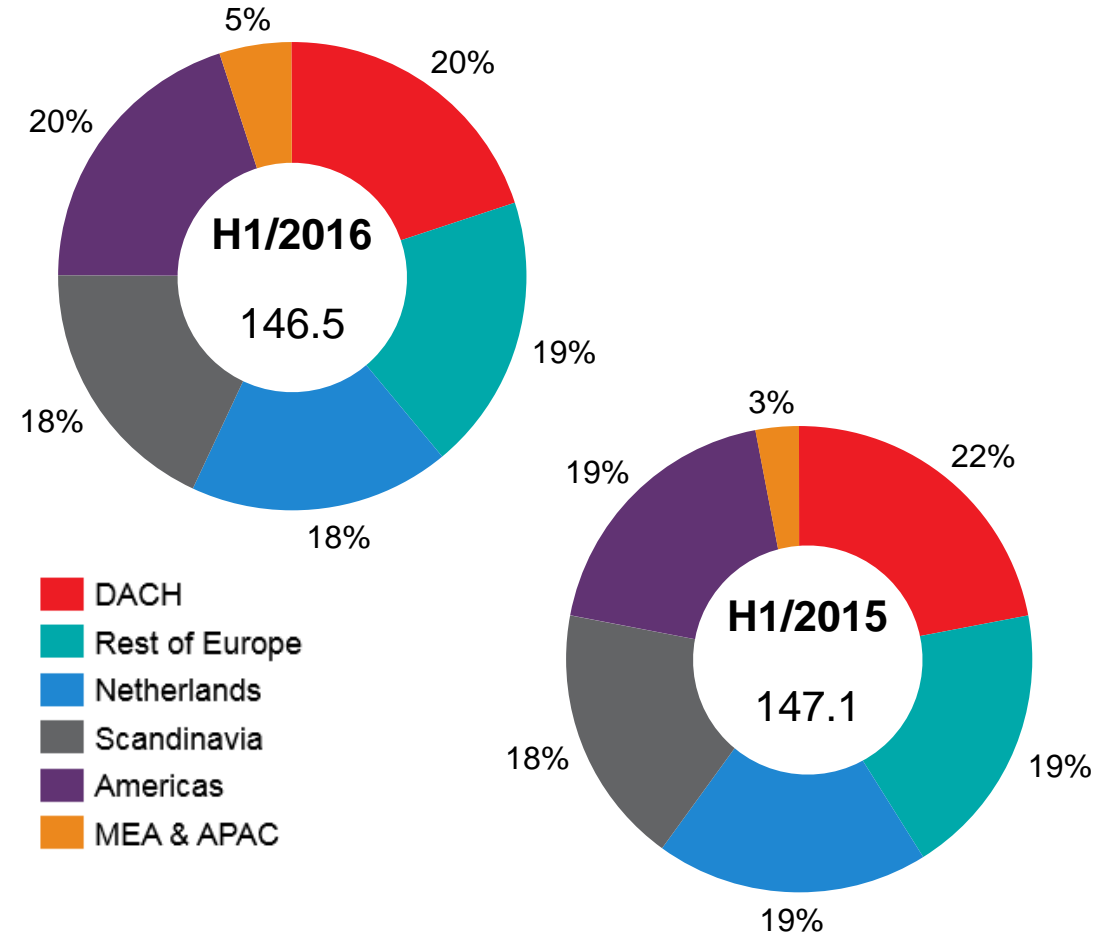
WS – Net revenue development

(CHFm, % based on figures at actual currencies)

By customer segment



By region



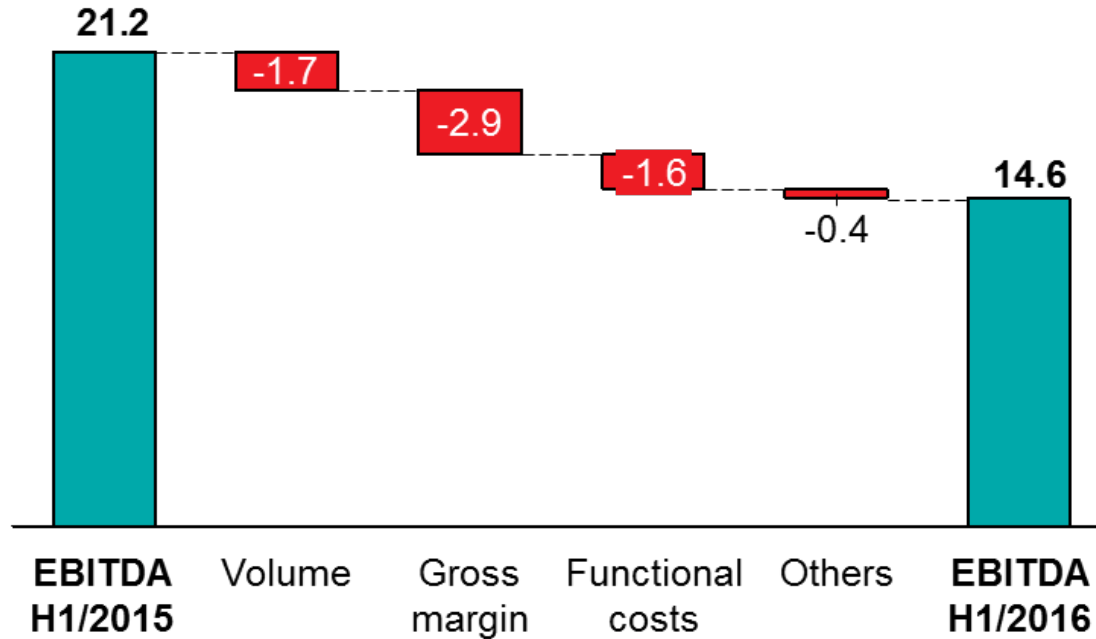
H1/2016 financial performance drivers...

- WS: Lower profitability during investment payback period, while further building backlog and pipeline
- NT: Unfavorable business development vs. prior year H1, as business continues realignment to new US market realities and rebuilds order book in Q2
- Corporate one-off costs: CHF -3m or -1.7%-p. Group EBITDA impact

...project a heavily back-end loaded and transitional year 2016

WS – EBITDA bridge

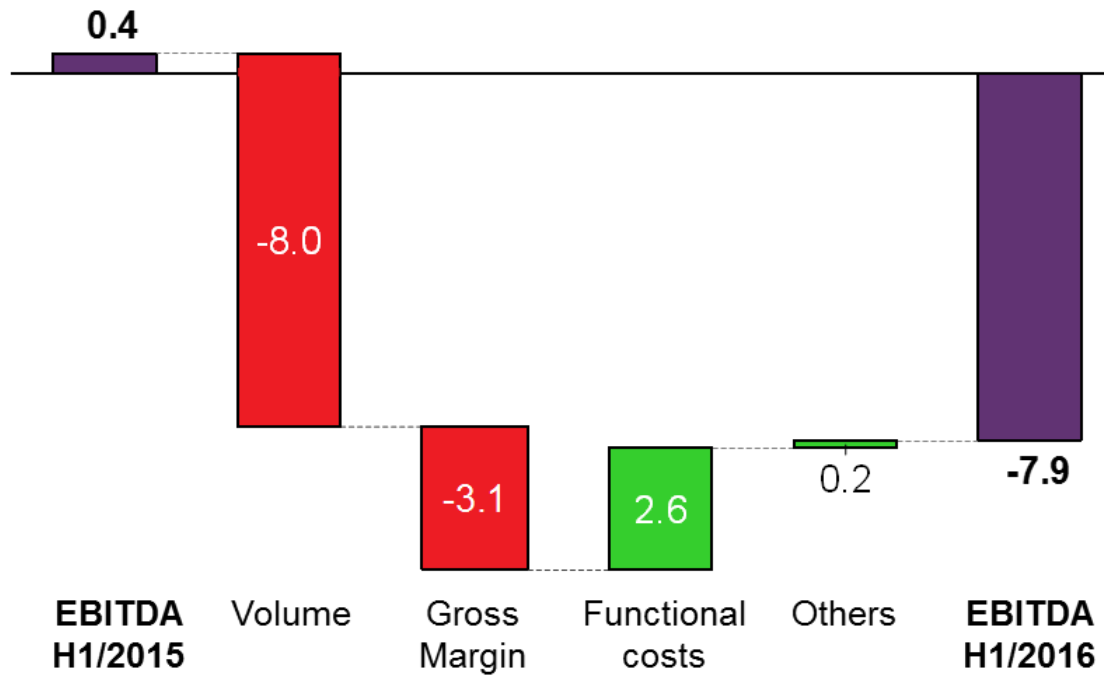
(CHFm, figures and % based on actual currencies)



- Ongoing payback period for 2015 organic investments
- Longer and more complex sales and delivery cycles of integrated customer solutions
- Steep learning curve as business transformation progresses
- Market challenges in UK and short-term volatility in OEM

NT – EBITDA bridge

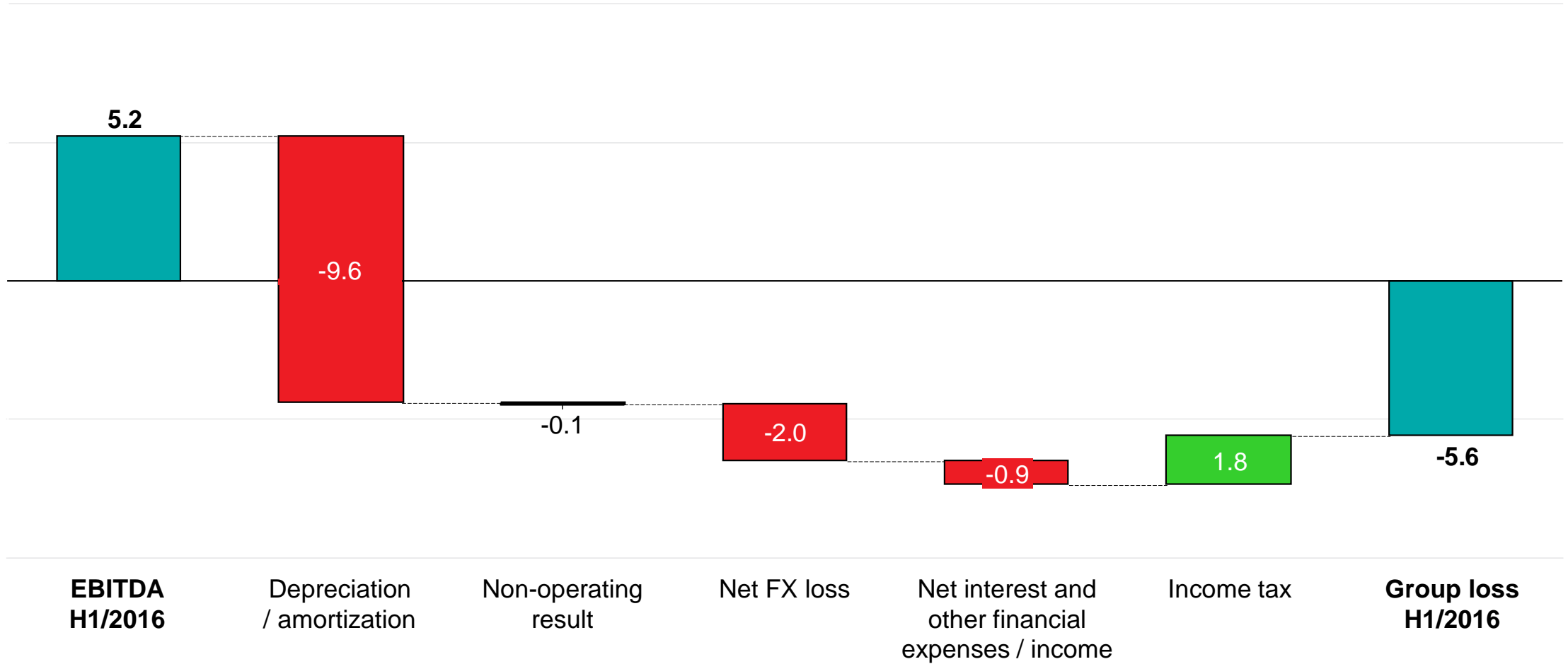
(CHFm, figures and % based on actual currencies)



- Significant organic net revenue decline, mainly in North America
- Ramp-up of NT in-building solution (iBuildNet)
- Execution of December 2015 NT restructuring

Group loss due to reduced EBITDA and FX impact

(CHFm, figures and % based on actual currencies)



Balance sheet highlights

- Overall, sound balance sheet with solid equity ratio of 35.5% as per 30.6.2016
- Healthy cash balance of CHF 33.6m as per 30.6.2016, overall net cash position
- Continuous net working capital improvement

Ascom OneCompany Strategy

Holger Cordes, CEO



Today's challenges of healthcare



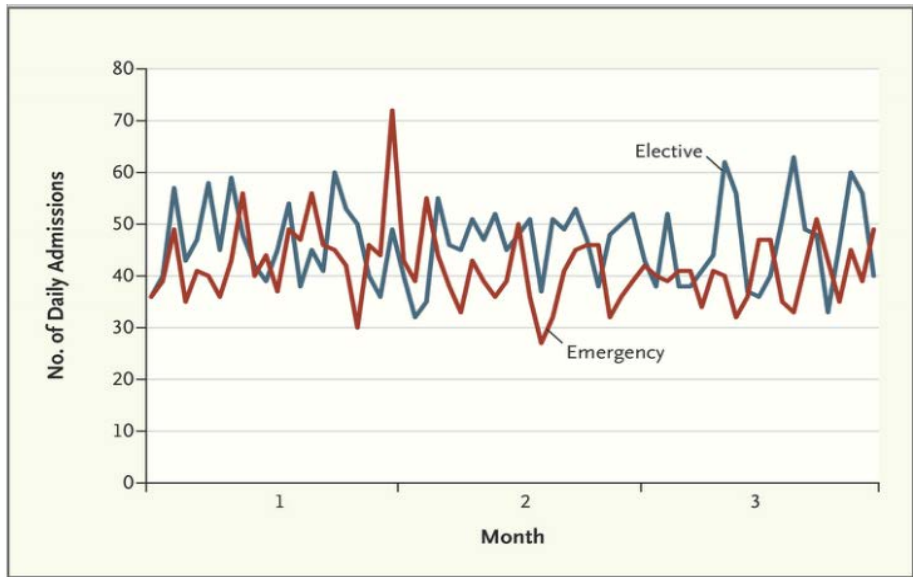
But: Healthcare did not embrace the full potential of digitalization.

Healthcare is at a pivotal moment!

Why is healthcare not digital?

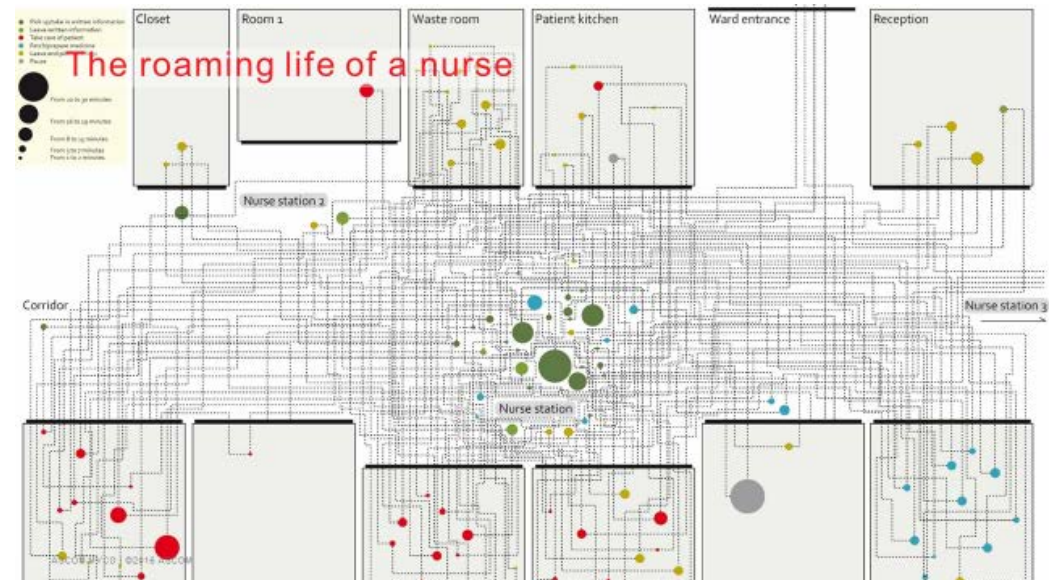
Clinical environments are highly mobile, largely ad-hoc and always mission-critical

Ad hoc:



Source: Institute for Healthcare Optimization, Newton, MA (E.L.); and the Institute of Medicine of the National Academies, Washington, DC (H.V.F.).

Mobile:



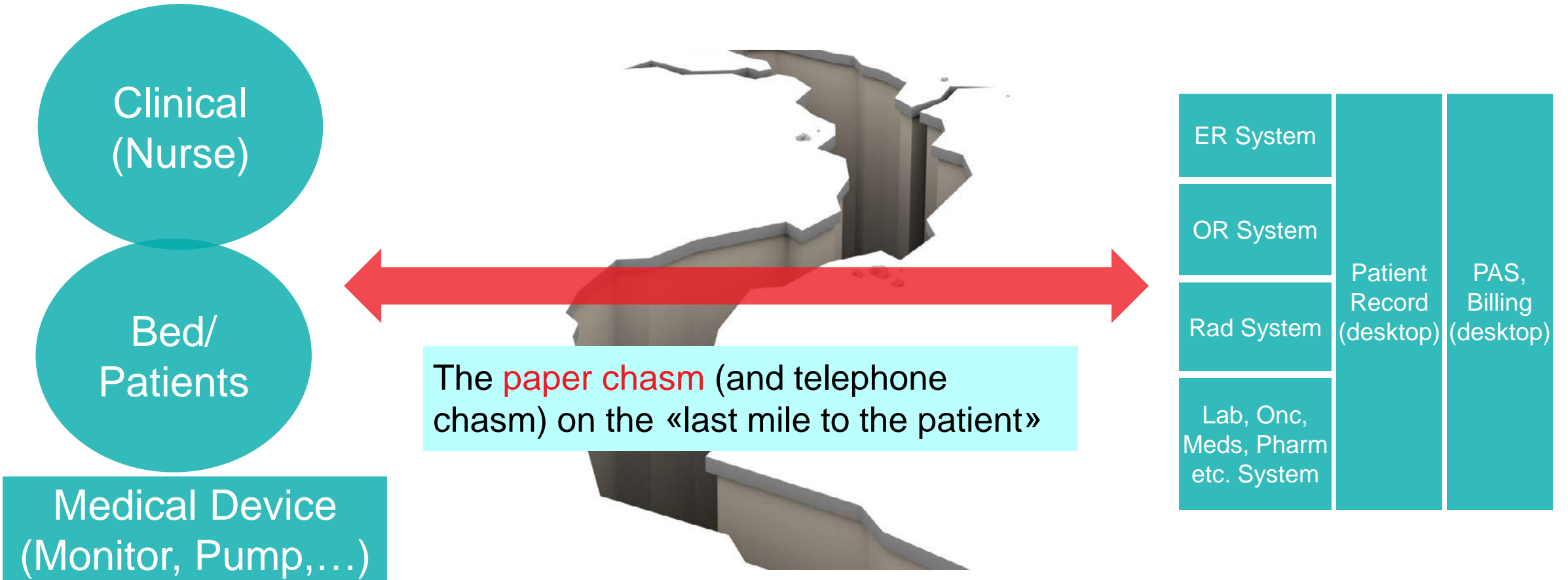
If digitalization doesn't support ad-hoc, mission-critical and mobile workflows, there is no digitalization!

Vision of Ascom

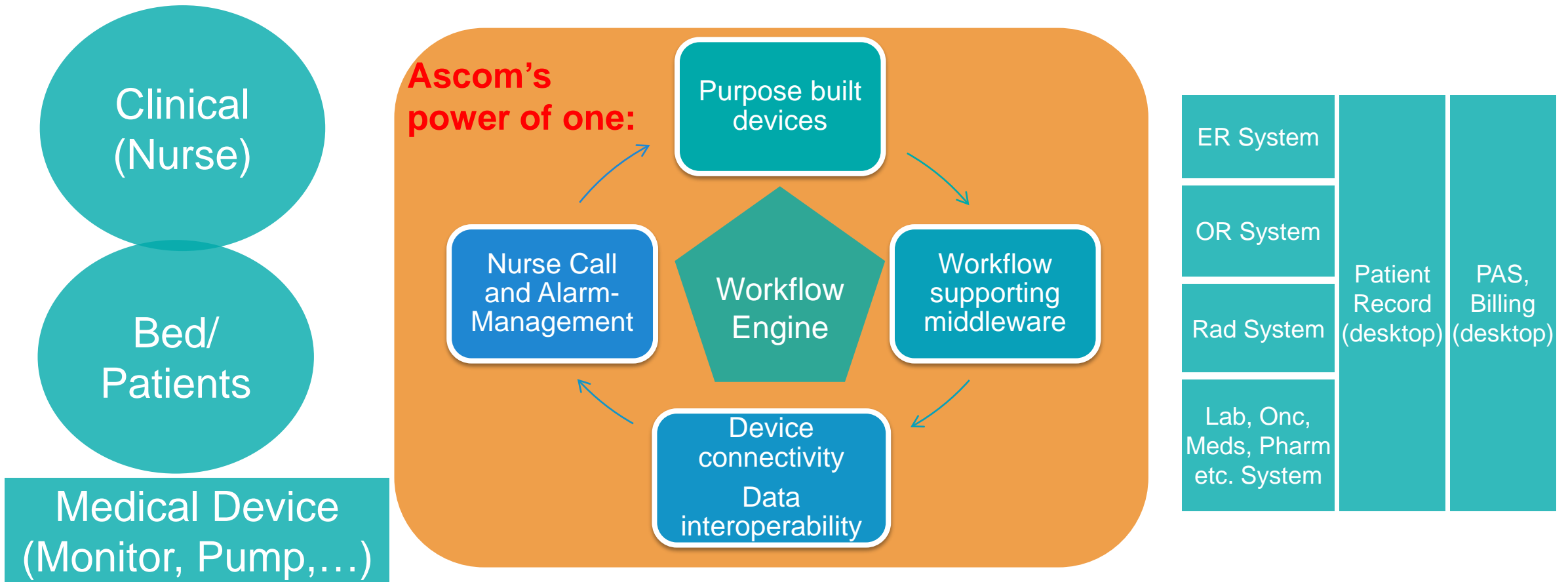
Ascom strives to close the digital information gap allowing for the best possible decisions - anytime and anywhere.



That is the very reason for the paper chasm in healthcare



Ascom – The power of one to bridge the chasm



Mission of Ascom

Ascom will bridge the information gap on the last mile of mobile workflows by providing *mission-critical, real time* solutions for the *highly mobile, ad hoc* and *time sensitive* environments.



A worthwhile mission indeed!

- We make clinical providers more effective and efficient and improve healthcare provision
- More patient safety and better outcome quality
- We connect the analogue and the digital world and bring the lever of healthcare digitalization to bear at all
- We will thus play a major role in keeping healthcare affordable
- Our unique expertise and competence will award us the market leadership in this key segment

– **ascom** will be mission-critical to healthcare! –

Hence a promising addressable healthcare market

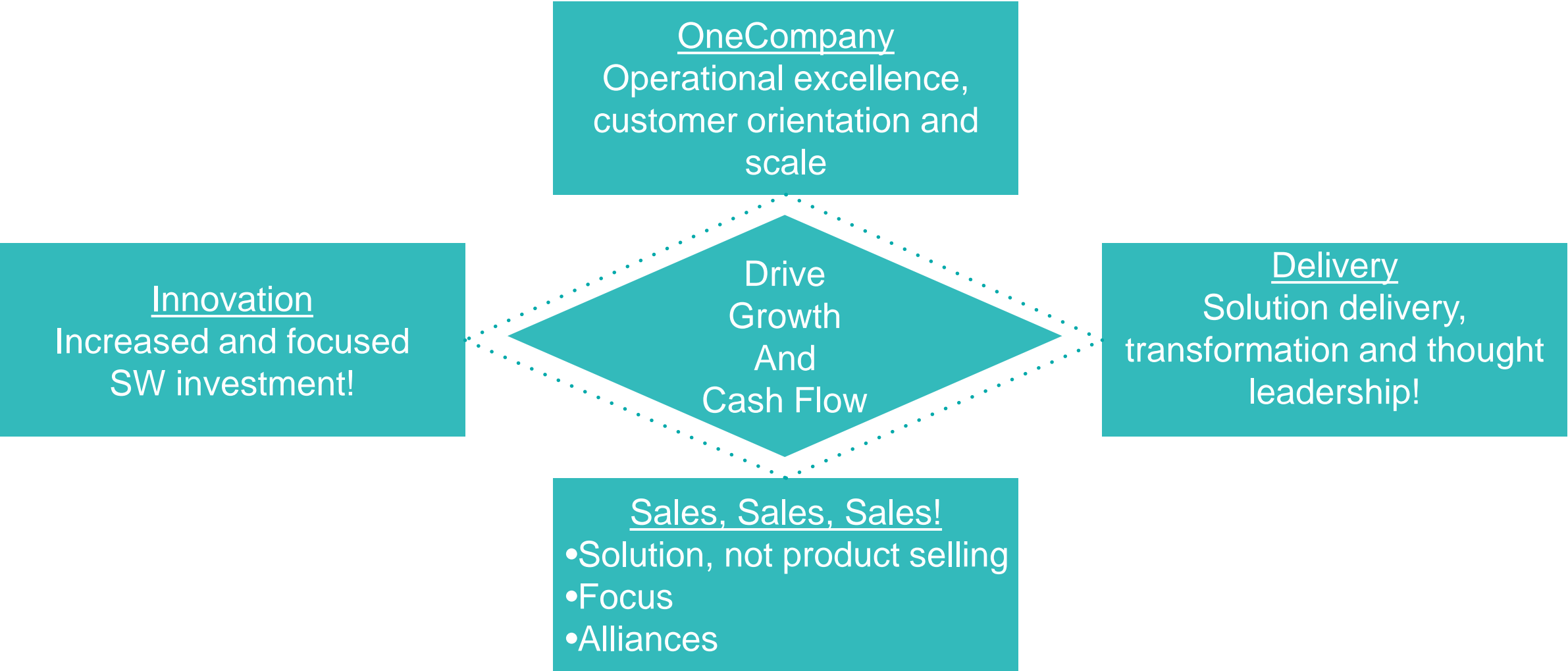
- Market research indicates a current size of our addressable healthcare market for **ascom** of USD 3.3 billion*, which is expected to grow at 9% p.a. to USD 4.7 billion* in 2020
- That represents only 2.3% of overall HICT market size
- **ascom** will gain significant market share in this highly fragmented healthcare ICT market
- **ascom** will leverage its growing innovation capacities to step by step enhance the solution portfolio
- Conclusion: highly attractive market for meaningful and sustainable growth

* Source: McKinsey & Company

Where do we stand?

- **ascom** has strong market presence, highly visible reference customers and a loyal installed base
- We have solid and proven products
- We have a great team of unique industry and technology experts
- **ascom** has a history as a product company and is migrating towards a solution business
- **ascom** has been a divisional company with a layered management structure and will transform to a OneCompany

Four main strategy areas to address change



“OneCompany” strategy

OneCompany
Operational excellence,
customer orientation and
scale

- **ascom** will be 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

Strategic focus on innovation

Innovation
Increased and focused
SW investment!

- 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!** –

Strategic delivery

Delivery
Solution delivery,
transformation and thought
leadership!

- 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 by innovative service offerings
- Increase share of recurring revenues

Strategic area Sales

Sales, Sales, Sales!

- Solution, not product selling
- Focus
- Alliances

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

Looking ahead

- We play to win and will be leading in every market segment we engage in.
- We will implement the OneCompany program in 2016 and deliver 10m CHF operational cost savings in 2017 through our 2016 initiatives.
- We will return to sustainable growth in 2017 with double digits in Healthcare.
- We will launch several new solutions in existing markets by 2017.
- We aspire to drive significant organic growth until 2020 and strong cash flows in the coming years.



Q&A



Thank you



Legal Disclaimer

This document contains specific forward-looking statements, e.g. statements including terms like “believe”, “expect” or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of Ascom and those explicitly presumed in these statements.

Against the background of these uncertainties readers should not rely on forward-looking statements. Ascom assumes no responsibility to update forward-looking statements or adapt them to future events or developments.



www.ascom.com

Ascom Holding AG

Zugerstrasse 32
Baar, Switzerland

Phone: +41 41 544 78 00



www.linkedin.com/company/ascom