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

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

Workflow Intelligence in several sectors
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. Drive
   Growth and Cash Flow
   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
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
Ascom Investor Day
Services Growth
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
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

Installation & Commissioning
Clinical Consulting
Application Development
Integration
Training
Go-live Assistance

Professional Services

Project Management

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

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

Solution Lifecycle Maintenance
Ascom Solution Lifecycle plan

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What do we provide?

- 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%

- 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
- Prestudy
- Provide professional services
- Input product development
- Pre-tender
- Tender or purchase project
- Go-Live and Continuous improvement
- ROI Efficiency
- Patient safety
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
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

Healthcare

Non-Healthcare

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November 2016
Product Portfolio -> Solution Portfolio

**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

**Raw Data**
Vitals and alarms

**ICU & OR**
Decision support, information aggregation

**Mobile**
Information within clinical context
Expanding the Solution Portfolio

**ICU & OR**
- Decision support, information aggregation

**Medical Device Gateway**
- Bi-directional device connectivity
- Vitals and alarms
- Medical device settings

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

**Nurse Call**
- Smart room technology interacting with mobile devices
- Alarms
- Presence information

**Mobile**
- Information within clinical context

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Point of Care

Purpose built device

Location information

Contextual information
Overarching Operational Challenges in Hospitals

Treatment of a hospital patient from admission to discharge

Diagnostics

- Admission
- Ultrasound
- Lab
- CT
- Case Review
- Time to diagnosis
- Avoid redundant diagnostics

Actual Treatment

- ICU Release
- Surgery
- Faster ICU release
- Monitoring post-ICU
- Optimize post-treatment diagnostics
- Discharge process
- Quality, Hygiene, Documentation
- Patient ready for discharge

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

High leverage

Knowledge worker organizations
“Flow“
Interruptions impact quality

Low leverage

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

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

“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
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
Ascom Investor Day
Sales Transformation
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

- 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

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

Continuous Transformation

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
Ascom Investor Day
Mid-term Guidance for 2020
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

**Portfolio Integration**
- More Workflows, Apps, SW
  - Net additional potential: 3-5% CAGR

**Alliances**
- Global Accounts
  - Net additional potential: 1-3% CAGR

**OEM**
- New Solutions

**New Partners**
- New Markets

**New Services**
- Evaluation of additional emerging markets
  - Net additional potential: 2-4% CAGR

**Transformation Services**
- Managed Services
  - Net additional potential: 1-3% CAGR

**GROWTH**

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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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