



Ascom Investor Presentation

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March 2021

Full-Year 2020 at a Glance

Solid results in line with the communicated targets – returning to profitable growth



Communicated targets achieved despite worldwide Covid-19 pandemic and economic crisis



3.6% net revenue growth (at constant currencies)



Significant improvement in profitability with EBITDA of CHF 24.9 million and **EBITDA margin of 8.9%**



Both **incoming orders** and **order backlog** showed strong developments



Successful implementation of **targeted cost reduction** and **leaner organizational structure**



Balance sheet improved with return to **positive net cash position** and improved **equity ratio of 35.0%**

Results in line for most regions despite Covid-19 pandemic

Highlights



Double-digit revenue growth (at constant currencies) in **Nordics, UK** and **Rest of World**



Solid revenue growth (at constant currencies) in **USA & Canada** and **the Netherlands**



OEM business stabilized in the second half-year



Important flagship deals (e.g. Wales, Helse Norway) won against strong competition

Lowlights



Covid-19 pandemic hit in particular the **French market** hard – considerable impact on French business



DACH region impacted by weaker performance in Enterprise business



Some projects delayed, cancelled or postponed due to the Covid-19 pandemic



Component shortage in the entire industry due to the increased demand as a result of Covid-19 crisis

Healthcare sector with considerable revenue growth

Healthcare Enterprise OEM

- **Healthcare sector grew 9.1%** and is accounting for 67% of total net revenue in 2020
- **Enterprise sector was suffering** above-average from Covid-19 pandemic
- **OEM business stabilized** in the second half-year 2020

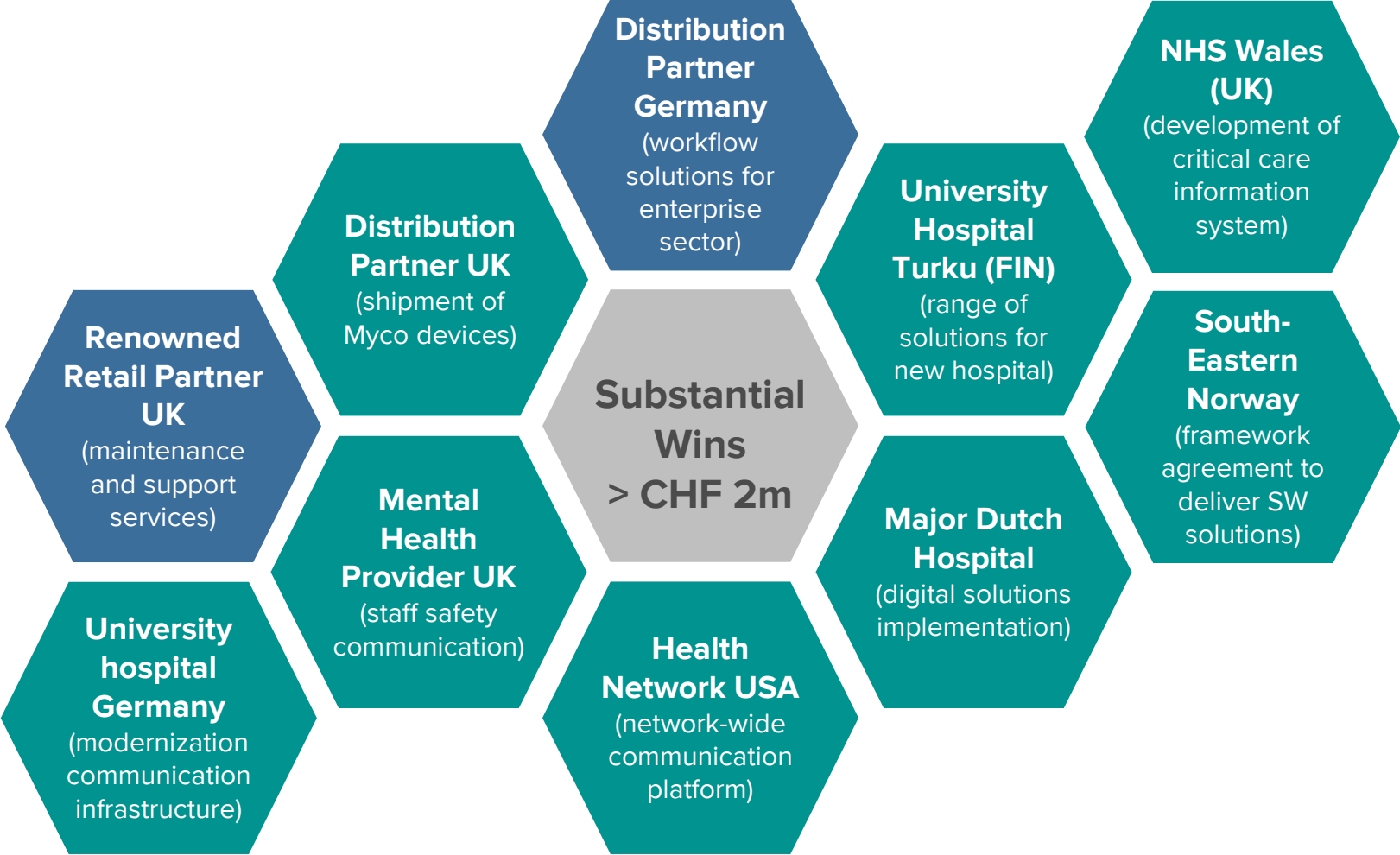
Solutions & Software

- Focusing on **complex software and solutions projects** is bearing fruits
- **Long-term contracts** will foster innovation and joint development of solutions
- **Service business** increased its share of revenue from 38% to 41%
- Slight increase of **recurring revenue** to 25%

Organization

- Swift implementation of **leaner organization** with more customer proximity
- **Targeted cost reduction** measures implemented
- Efficient and simplified **management structure**

Selection of Substantial Wins in 2020



New Focus on Sustainable Corporate Development

Reworked Sustainability Directive with clear objectives

- Signatory of UN Global Compact since 2010
- Strong ESG position confirmed by EcoVadis with Gold status in their sustainability reporting
- Donation to UNICEF in support of disadvantaged children
-  Ranked 21 out of 172 listed Swiss companies in corporate governance study 2020 of zRating
- “Klimabewusstes Unternehmen” according to Bilanz rating



Ascom Sustainability Report 2020

Extract Environment Reporting

Year	Net revenue (CHFm)	CO ₂ e kg	CO ₂ e kg per CHF	% Change CO ₂ e kg
2016 ¹	300.8	70,583,102	0.23	-25.8%
2017	309.7	69,427,651	0.22	-4.0%
2018 ²	318.5	74,534,127	0.23	+7.4%
2019	282.9	67,712,161	0.24	-9.2%
2020	281.0	61,771,932	0.22	-8.8%

¹ Net revenue figures refer only to continuing business (former Division Wireless Solutions);

CO₂e is calculated according to a recognized standard (ISO 14064), but has not been externally verified.

² CO₂e emissions of 2018 were adjusted due to a thorough review conducted every five years.

Overview CO₂ by emission scope¹

Scope	2019 (In CO ₂ e In tons)	2020 (In CO ₂ e In tons)
1 – Direct emissions	57	75
2 – Indirect emissions	2,325	2,120
3 – All other indirect emissions	65,330	59,527
Total	67,712	61,722

¹ Scope definitions in line with the GHG Protocol Corporate Accounting and Reporting Standard for greenhouse gas emissions.



Ascom Business Performance

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Full-Year 2020

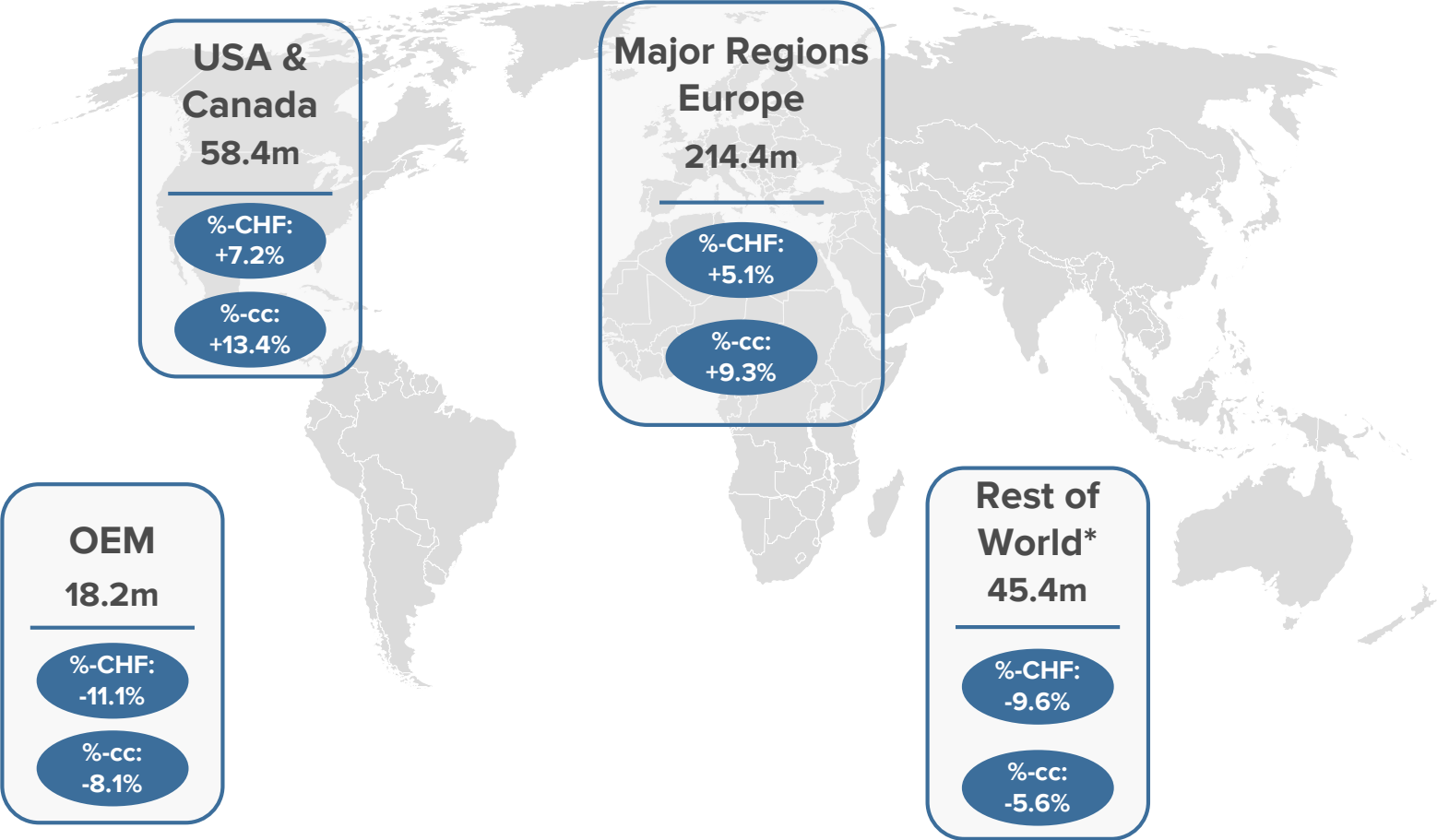
FY 2020 Results Summary

(at actual currencies)

	2020	2019	Variance to PY	
			cc	CHF
Net revenue	281.0 CHFm	282.9 CHFm	+3.6%	-0.7%
Incoming orders	322.4 CHFm	315.5 CHFm	+6.6%	+2.2%
Order backlog	215.6 CHFm	177.5 CHFm	+24.1%	+21.5%
EBITDA	24.9 CHFm (EBITDA margin of 8.9%)	0.8 CHFm (EBITDA margin of 0.3%)	+24.6 CHFm	+24.1 CHFm
Group profit	6.5 CHFm	0.5 CHFm*	+6.2 CHFm	+6.0 CHFm
FTE year-end	1,282	1,292		-0.8%
FTE (incl. 3rd party)	1,401	1,493		-6.2%

Incoming Orders Increased by 6.6% (at constant currencies)

In CHFm

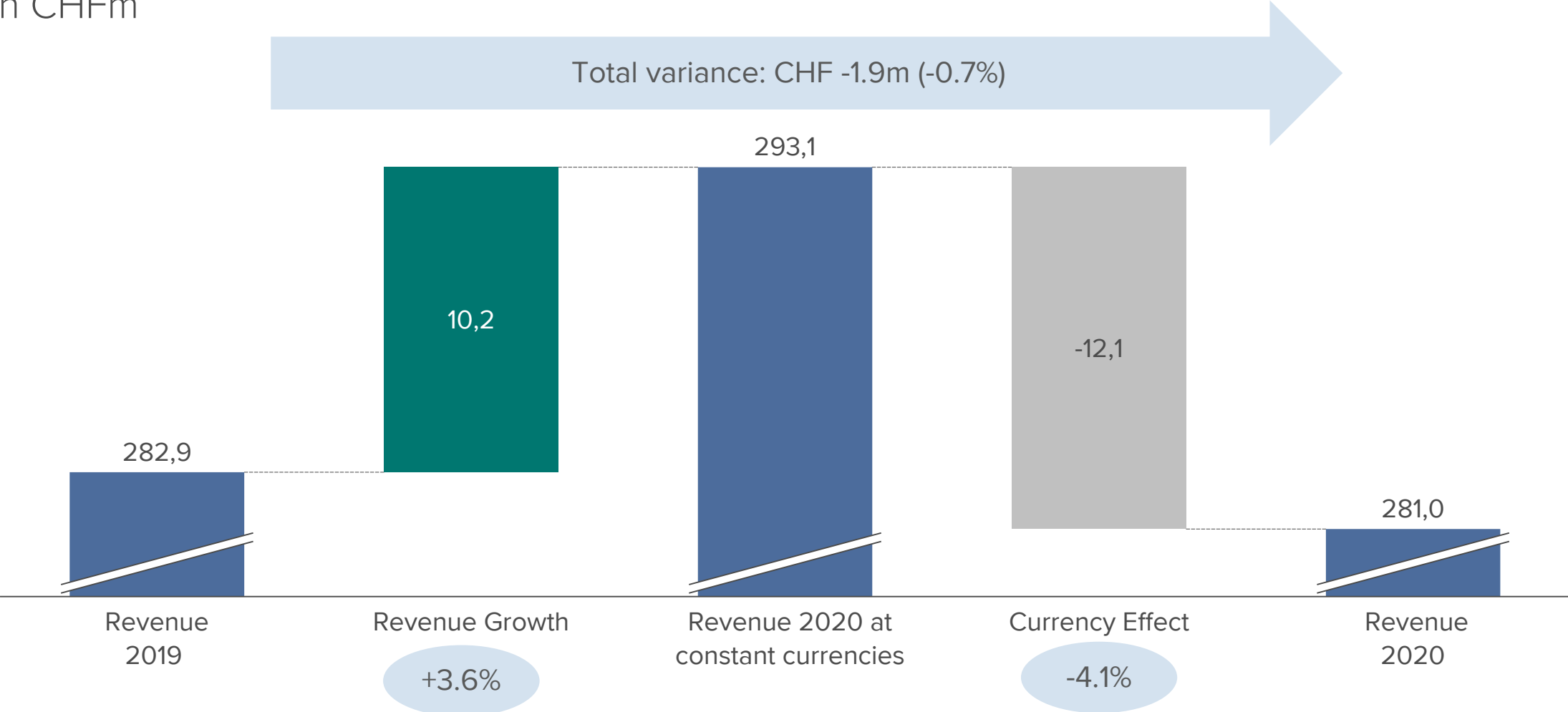


Note: All values as reported = actual currencies, when marked cc=constant currencies, eliminating currency impacts

*RoW consists of Italy, Belgium, Finland, VAE, Malaysia, Singapore, Australia/New Zealand

Revenue growth of 3.6% (at constant currencies)

In CHFm



Revenue FY 2020 – Regional Development (I)

Deviations at actual currencies (%-CHF) and at constant currencies (%-cc)

Region	Revenue CHFm	Variance to PY		Comment
		%-cc	%-CHF	
DACH	46.6	-6.8%	-8.8%	<ul style="list-style-type: none"> Reduced revenue due to lower mobility sales in Enterprise sector heavily influenced by Covid-19
France & Spain	17.6	-14.6%	-17.4%	<ul style="list-style-type: none"> Strong Covid-19 effect in Long-Term Care Slowdown of partner business
Netherlands	52.8	+6.2%	+2.3%	<ul style="list-style-type: none"> Improvement in the delivery organization Recurring revenue increased
Nordics	40.8	+13.3%	+6.5%	<ul style="list-style-type: none"> Ramp-up in project business Strong performances of Myco products




Revenue FY 2020 – Regional Development (II)

Deviations at actual currencies (%-CHF) and at constant currencies (%-cc)

Region	Revenue CHFm	Variance to PY		Comment
		%-cc	%-CHF	
UK	14.5	+15.2%	+9.8%	<ul style="list-style-type: none"> Strong growth by key deals in Acute Care / Long-Term Care
USA & Canada	49.6	+5.0%	-0.8%	<ul style="list-style-type: none"> Strong performances in healthcare driven by mobility and services
RoW	41.4	+11.9%	+7.3%	<ul style="list-style-type: none"> Increase in software and mobility sales
OEM	17.7	-3.2%	-5.9%	<ul style="list-style-type: none"> Slowdown in H1 due to Covid-19 – stabilization in H2

Slight Increase of Recurring Revenue

Deviations at actual currencies (%-CHF) and at constant currencies (%-cc)

	Revenue CHFm	Variance to PY		Comment	
		%-cc	%-CHF		
Revenue Type	 Recurring	69.1	+4.6%	+0.3%	<ul style="list-style-type: none"> Growth driven by RoW and Nordics
	Non-recurring	211.9	+3.3%	-1.0%	<ul style="list-style-type: none"> Increase in project delivery drove the non-recurring revenue
	Revenue CHFm	Variance to PY		Comment	
		%-cc	%-CHF		
Market Segment	 Healthcare	189.4	+9.1%	+4.3%	<ul style="list-style-type: none"> Driven by USA & Canada, Nordics and Netherlands
	 Enterprise (excl. OEM)	73.9	-6.3%	-9.9%	<ul style="list-style-type: none"> Enterprise business impacted by Covid-19 pandemic Decrease mainly in DACH region

FY 2020 P&L

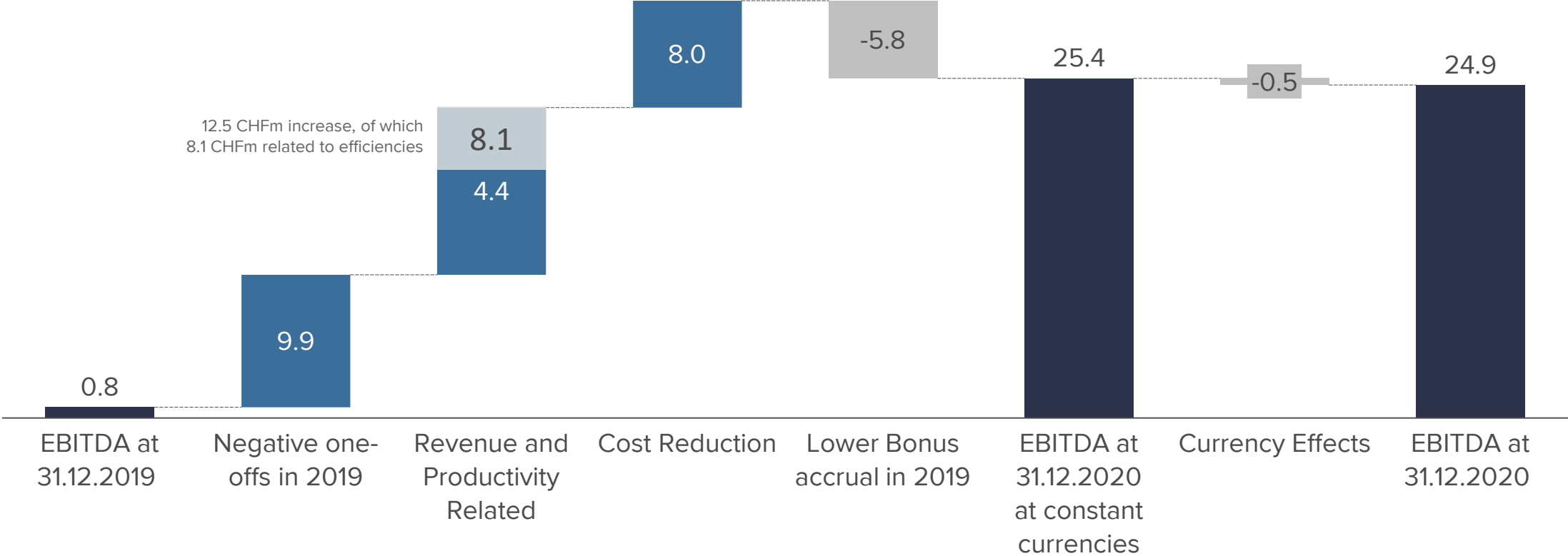
In CHFm	2020	%	2019	%	Variance %-cc	Variance %-CHF
Net Revenue	281.0	100.0%	282.9	100.0%	3.6%	(0.7%)
Cost of Sales	(147.7)	(52.6%)	(159.2)	(56.3%)	(3.0%)	(7.2%)
Gross Profit	133.3	47.4%	123.7	43.7%	12.0%	7.8%
Marketing and Sales	(67.0)	(23.8%)	(80.9)	(28.6%)	(13.7%)	(17.2%)
Research and Development	(32.2)	(11.5%)	(33.2)	(11.7%)	0.6%	(3.0%)
Administration	(21.9)	(7.8%)	(21.5)	(7.6%)	3.7%	1.9%
Other Operating Expenses/Income	(1.2)	(0.4%)	(1.5)	(0.5%)	40.0%	(20.0%)
EBIT	11.0	3.9%	(13.4)	(4.7%)		
EBITDA	24.9	8.9%	0.8	0.3%		
Group Profit	6.5	2.3%	0.5*	0.2%		

Comment

- **Cost of Sales** – decrease driven by a mix of improved profitability in the service organization and Covid-19 savings measures
- **Marketing and Sales** – Savings from Covid-19 measures and **restructuring** allowed to decrease M&S costs
- **Research and Development** – Positive effects from restructuring in H2
- **Administration** – Increase due to release of provisions in 2019 not repeated in 2020

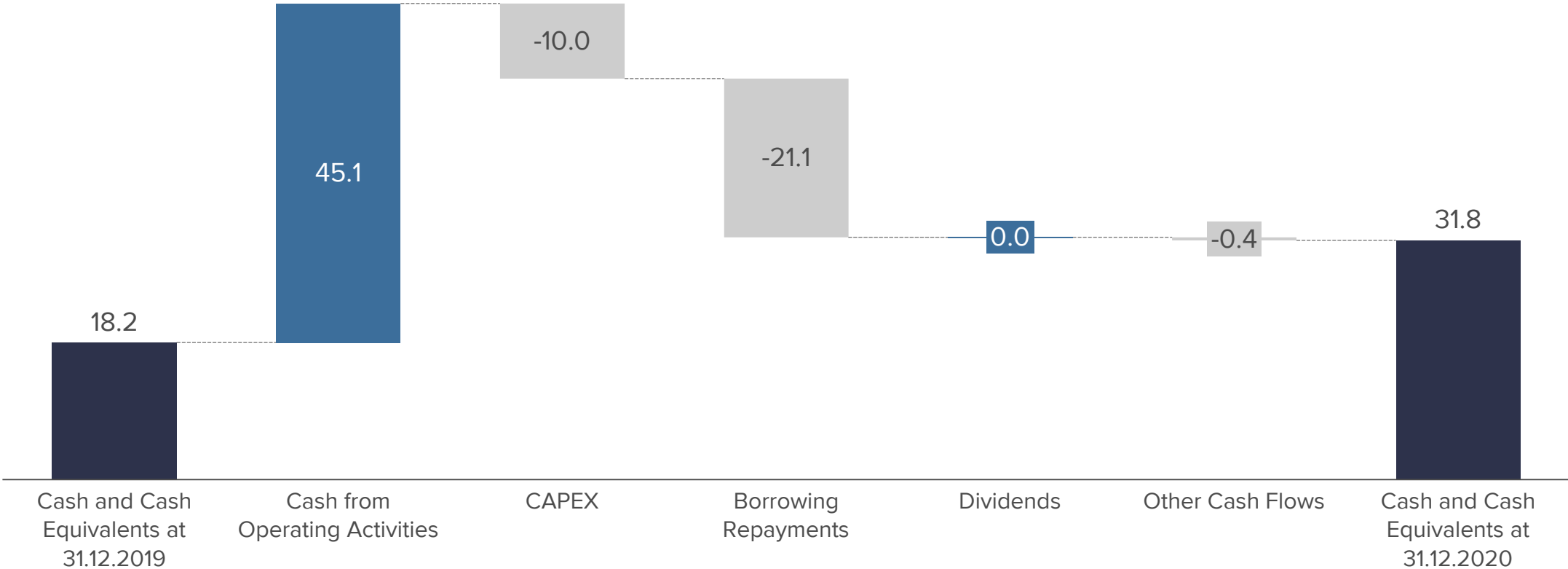
EBITDA Bridge

In CHFm



Cash Flow Development

In CHFm



Balance Sheet

In CHFm

	2020 31 Dec	2020 30 June	2019 31 Dec	2019 30 June
Cash & Cash Equivalents	31.8	29.2	18.2	14.2
Borrowings	19.0	28.0	40.0	25.0
Net Cash / (Net Debt)	12.8	1.2	(21.8)	(10.8)
Net Working Capital	49.0	44.2	68.2	61.3
Total Assets	203.1	200.6	214.2	198.6
Total Equity	71.1	61.2	63.2	70.0
Equity Ratio	35.0%	30.5%	29.5%	35.2%

Comment

- Improved Cash position thanks to better Net Working Capital management
- Repayment of Borrowings, together with improvement in Cash position, led to positive Net Cash
- Equity Ratio increased to 35.0%



Guidance & Outlook

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Outlook 2021

- 2021 will be another difficult year with a lot of uncertainties due to the Covid-19 pandemic, including a possible shortage of components
- Ascom concentrates on further developing its product and service portfolio to exploit the market potential
- The optimization and further improvement of the margin and cost structure will continue to be an important focus



Guidance 2021

- **Ascom targets for 2021 a low single digit revenue growth and strives to achieve a double-digit EBITDA margin*.**

*at constant currencies and given a stable economic development



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