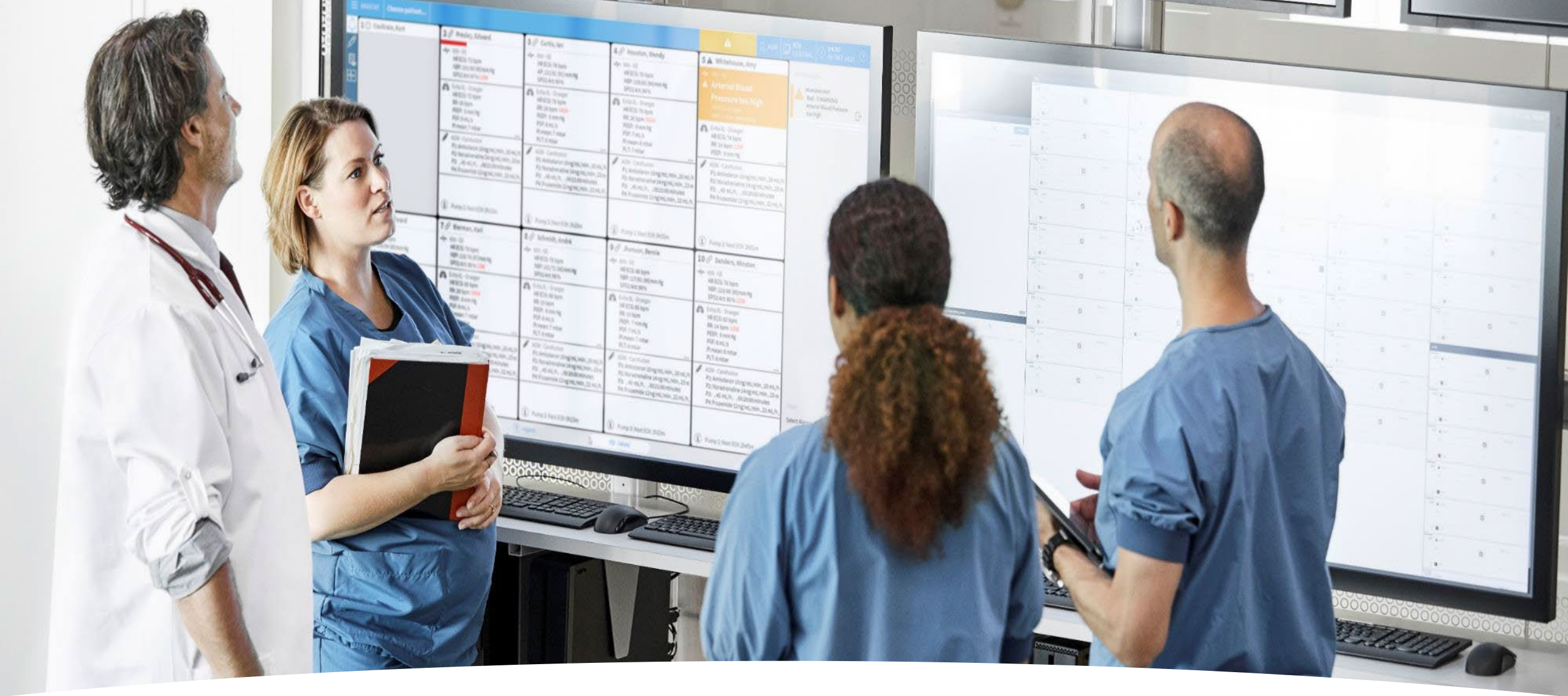




# Half-Year Media Conference 2022

**ascom**

11 August 2022



# Welcome

**ascom**

Daniel Lack, Company Secretary

# Agenda

- **Ascom at a Glance**  
Nicolas Vanden Abeele, CEO
- **Financial Review H1 2022**  
Dominik Maurer, CFO
- **Update on Ascom Strategy**  
Nicolas Vanden Abeele, CEO
- **Equity Story / Guidance**  
Nicolas Vanden Abeele, CEO
- **Q&A**



# Ascom at a Glance

## H1 2022 Strategic Update



### Active in markets with **secular growth trends**

- Digitalization of Care Delivery and Industry (Enterprise)
- Shortage in medical staff and ICU capacity driving digitalization



### **H1 results confirm market traction and growth potential**

- Very strong incoming orders, +13% vs PY @CC
- Strong revenue growth of +7.1% vs PY @CC
  - Despite component shortage impacts
- EBITDA CHF 1.7 million (normalized CHF 6.9 million), not yet satisfactory
  - Impacted by cost inflation and timing effect of price increases
  - Non-cash relevant one-off charge of Swedish Pension Fund (CHF 4.5 million)



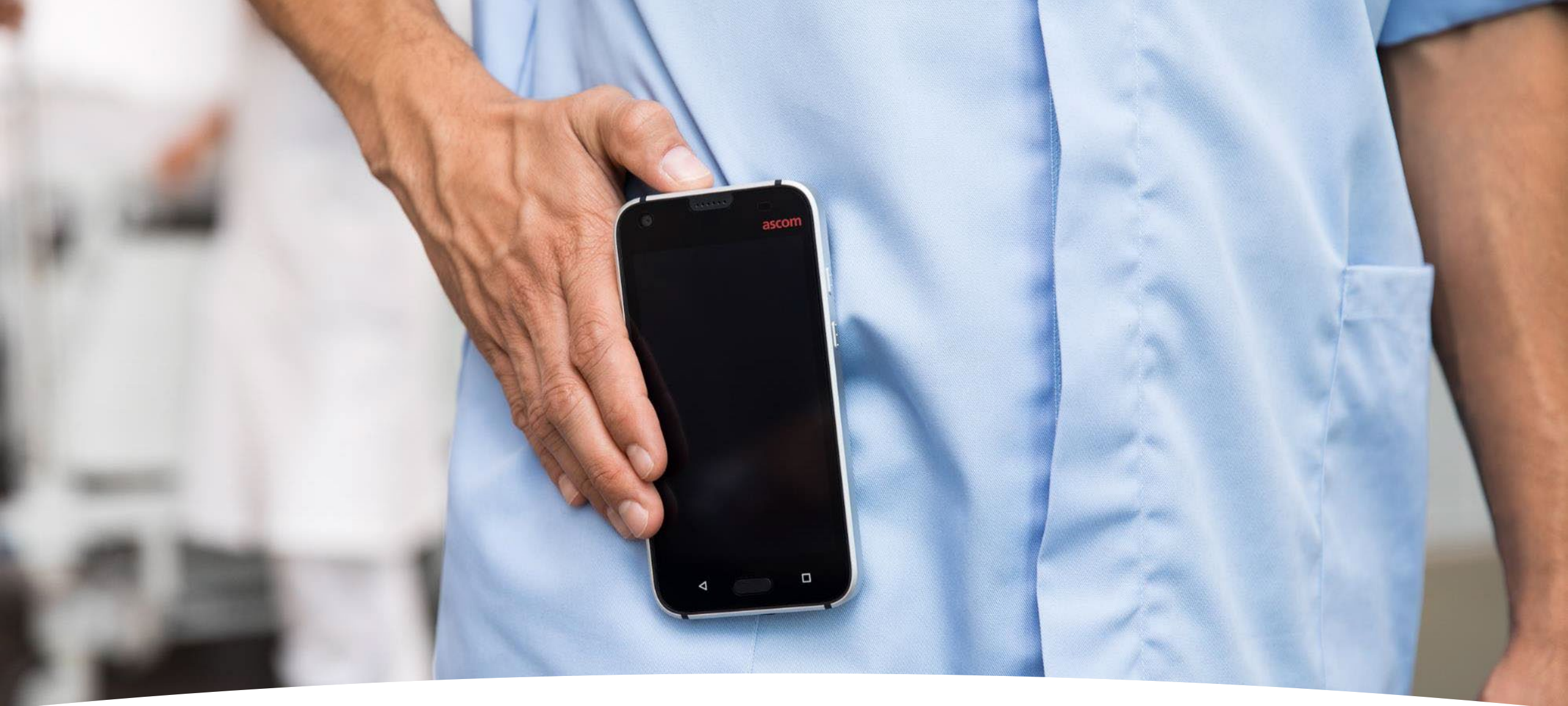
### Strategic plan confirms strong **equity story potential**, based on

- Strong growth acceleration and EBITDA accretion
- Further improvement of operational efficiency and platform enablement



### Ascom acquires **Ofelia software** platform

- State-of-the-art alarming & alerting platform
- Accelerating growth across all segments



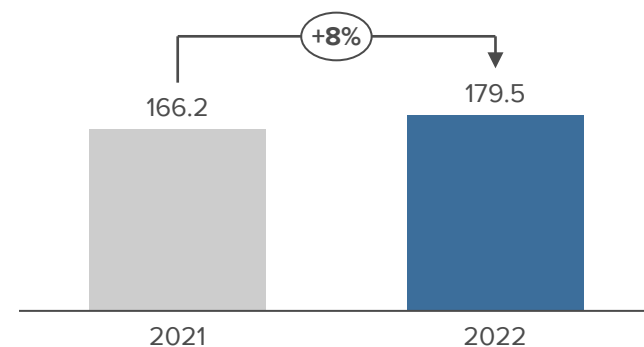
# H1 2022 Financials

**ascom**

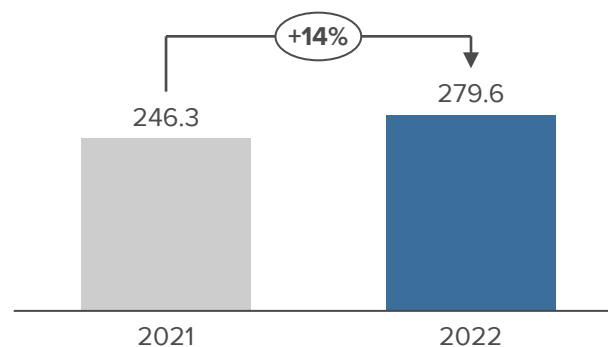
Dominik Maurer, CFO

# Key Figures H1 2022 (growth at actual rates)

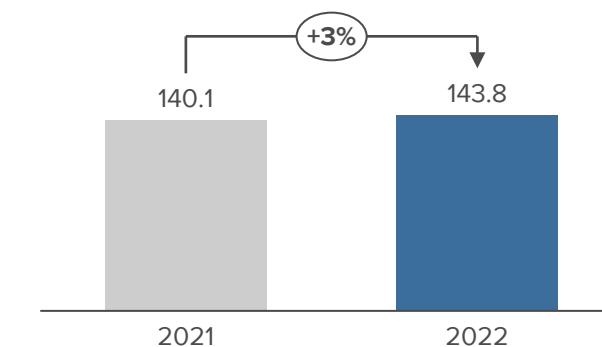
## Incoming Orders



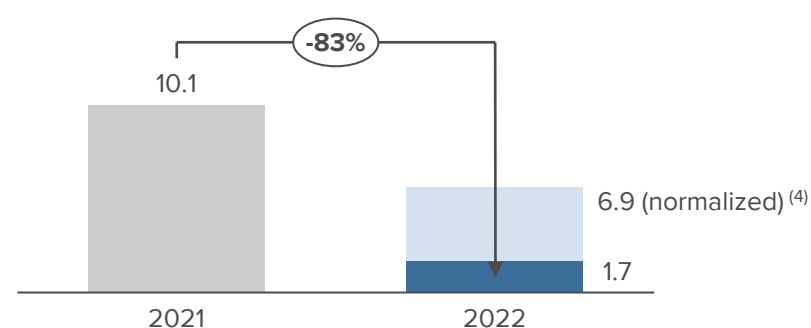
## Order Backlog <sup>(1)</sup>



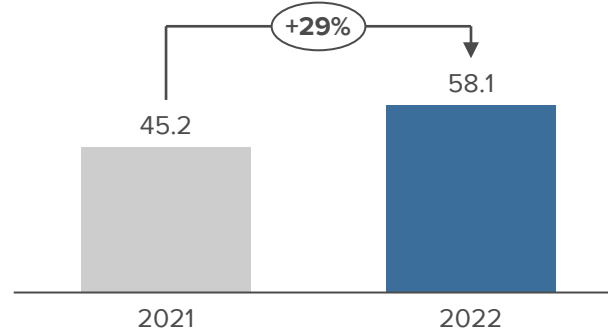
## Net Revenue



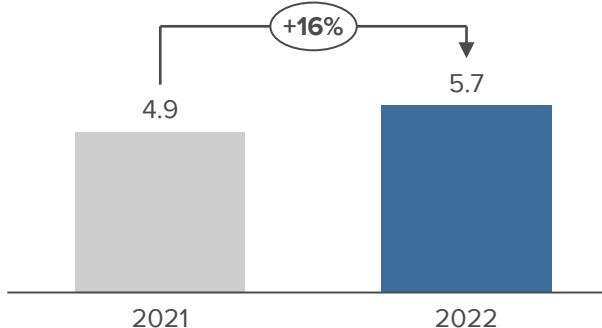
## EBITDA



## Net Working Capital <sup>(1) (2)</sup>



## Capital Expenditure <sup>(3)</sup>



(1) At 30 June

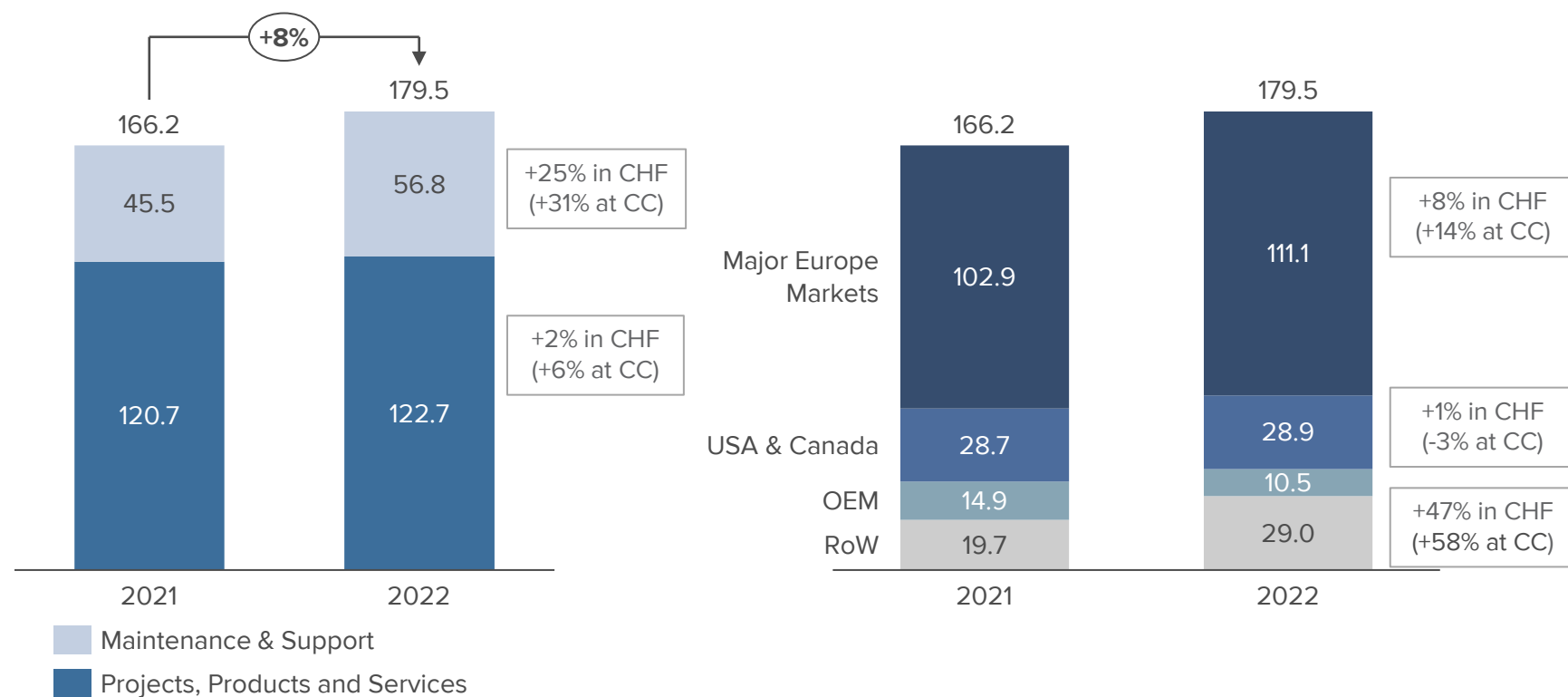
(2) Net working capital is calculated by subtracting the sum of trade payables and liabilities from work in progress and other current liabilities (including other current liabilities, current provisions, deferred income and accrued expenses) from the sum of trade receivables, inventories, work in progress and other current assets (including other current receivables, compensation claims from work in progress and accrued income and deferred expenses).

(3) Capital expenditure is calculated as the sum of investments in tangible and intangible assets and excludes proceeds from disposals

(4) Normalized EBITDA without one-off charges in a total amount of CHF 5.2 million related to required revaluation of the Swedish pension plan and the CEO change

# Incoming Orders increased by 13% (at constant currencies)

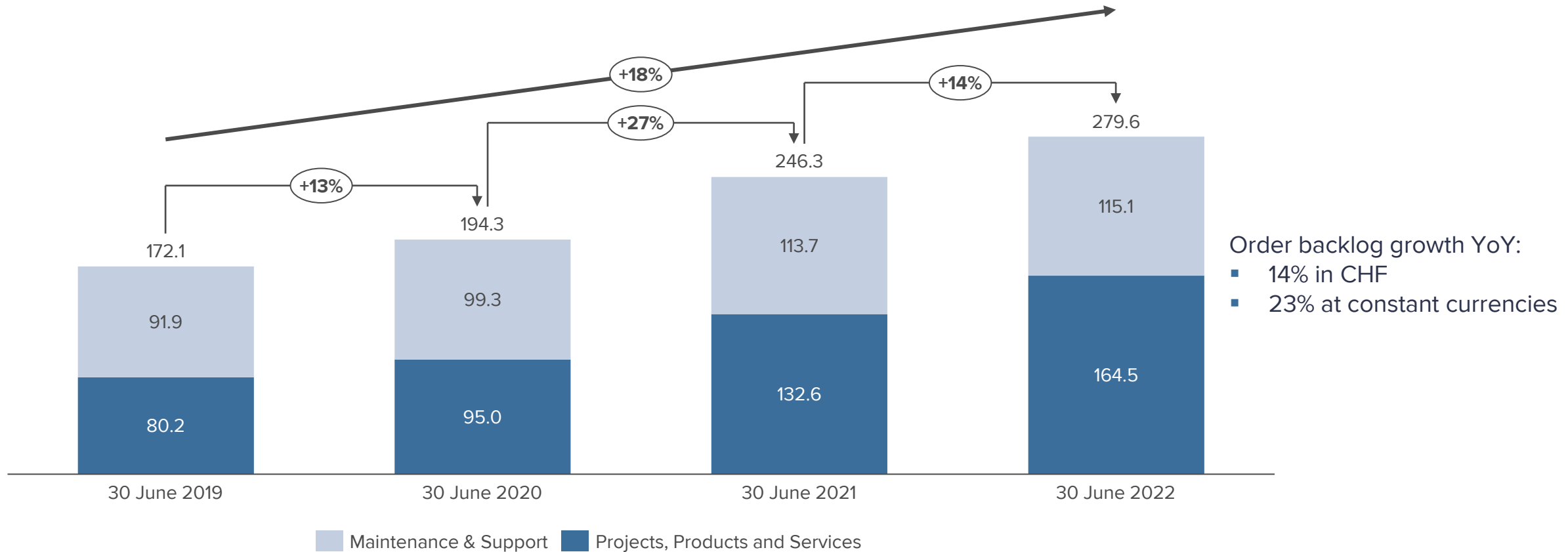
## Strong growth in orders for maintenance and support



- Increase of Incoming Orders: 13% at constant currencies (8% in CHF)
- Strong growth in most Major Europe Markets
- Small decline in USA & Canada, partners delaying orders as result of the component shortage
- Substantial growth in Rest of World (RoW), mainly Belgium and Asia

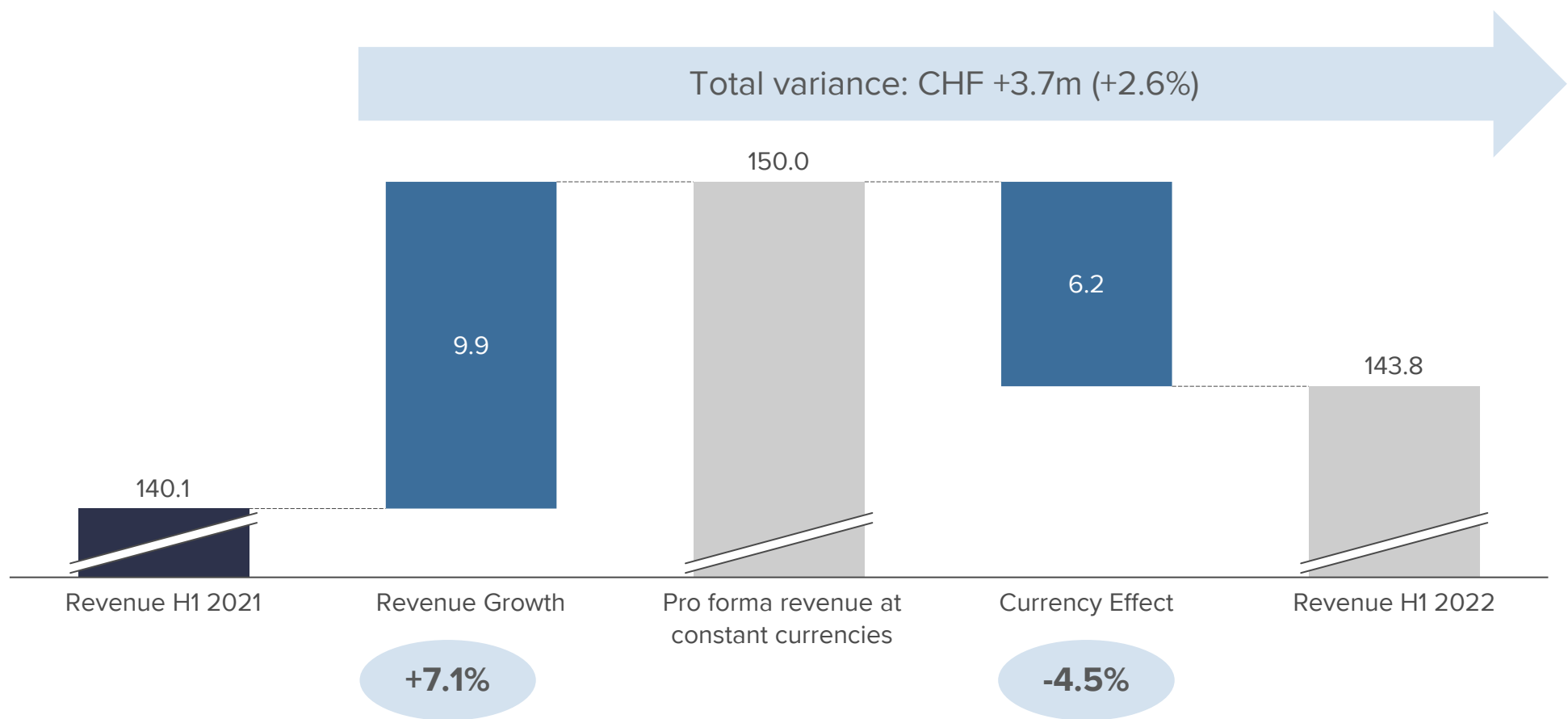
# Continued Order Backlog Growth by 23% (at constant currencies)

More than 60% converting to revenue beyond 2022



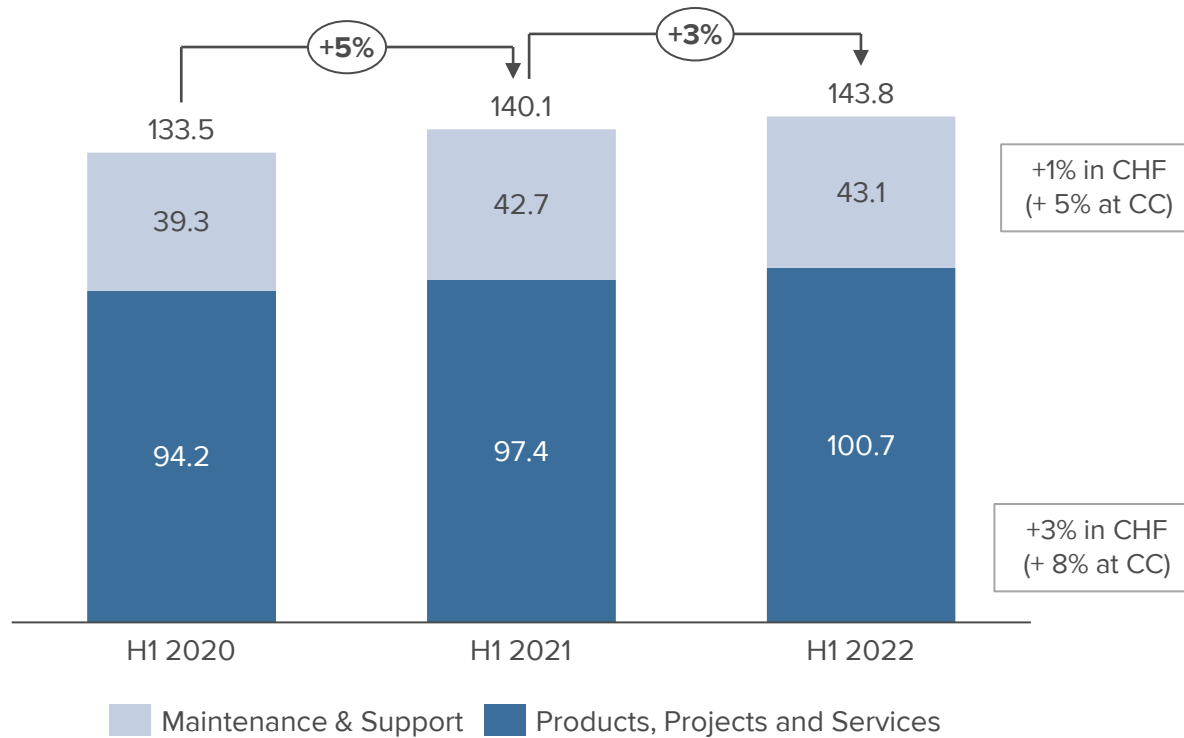
# Strong Revenue Growth of 7.1% (at constant currencies)

Revenue growth at actual rates impacted by significant currency effect



# Positive Revenue Development

Solid revenue growth despite component shortage impacts



- Net revenue growth of 7.1% at constant currencies (2.6% in CHF)
- Recurring software sales increased by 24%
- Maintenance & Support growth at 5% at constant currencies
- Products, Projects & Services grew by 8% at constant currencies despite component shortage impacts

# Revenue H1 2022 – Regional Development (I)

Excellent performance in Nordics region

Region	Revenue CHFm	Variance to PY		Comment
		%-cc	%-CHF	
<b>Nordics</b>	22.4	+18.8%	+11.0%	<ul style="list-style-type: none"> <li>Strong growth in Acute Care and Enterprise offset by slow down in Long-term Care, less impacted by component shortage</li> </ul>
<b>France &amp; Spain</b>	9.5	+6.0%	-0.7%	<ul style="list-style-type: none"> <li>Continued growth driven by Long-term Care</li> </ul>
<b>OEM</b>	10.3	+9.1%	-0.9%	<ul style="list-style-type: none"> <li>Strong growth driven by a healthy backlog for 2022 delivery</li> </ul>
<b>UK</b>	8.1	+2.2%	-1.1%	<ul style="list-style-type: none"> <li>Strong growth in recurring revenue and significant increase in Mobility sales into the Enterprise segment</li> <li>Growth in UK impacted by component shortage</li> </ul>





# Revenue H1 2022 – Regional Development (II)

Bounce back in RoW – mainly driven by Asia and Australia

Region	Revenue CHFm	Variance to PY		Comment
		%-cc	%-CHF	
Netherlands	25.4	-0.5%	-6.7%	<ul style="list-style-type: none"> <li>Growth in recurring revenue offset by decrease in project revenue, heavily impacted here due to component shortage</li> </ul>
USA & Canada	26.4	+2.5%	+6.1%	<ul style="list-style-type: none"> <li>Strong performance in recurring software revenue</li> <li>Market influenced by component shortages in Nurse call</li> </ul>
Rest of World	21.0	+12.7%	+6.8%	<ul style="list-style-type: none"> <li>Bounce back in Australia after heavy Covid-19 restrictions and strong growth in Asia and Italy</li> </ul>
DACH	20.7	+7.0%	+3.5%	<ul style="list-style-type: none"> <li>Strong growth in Mobility sales and project revenue</li> </ul>

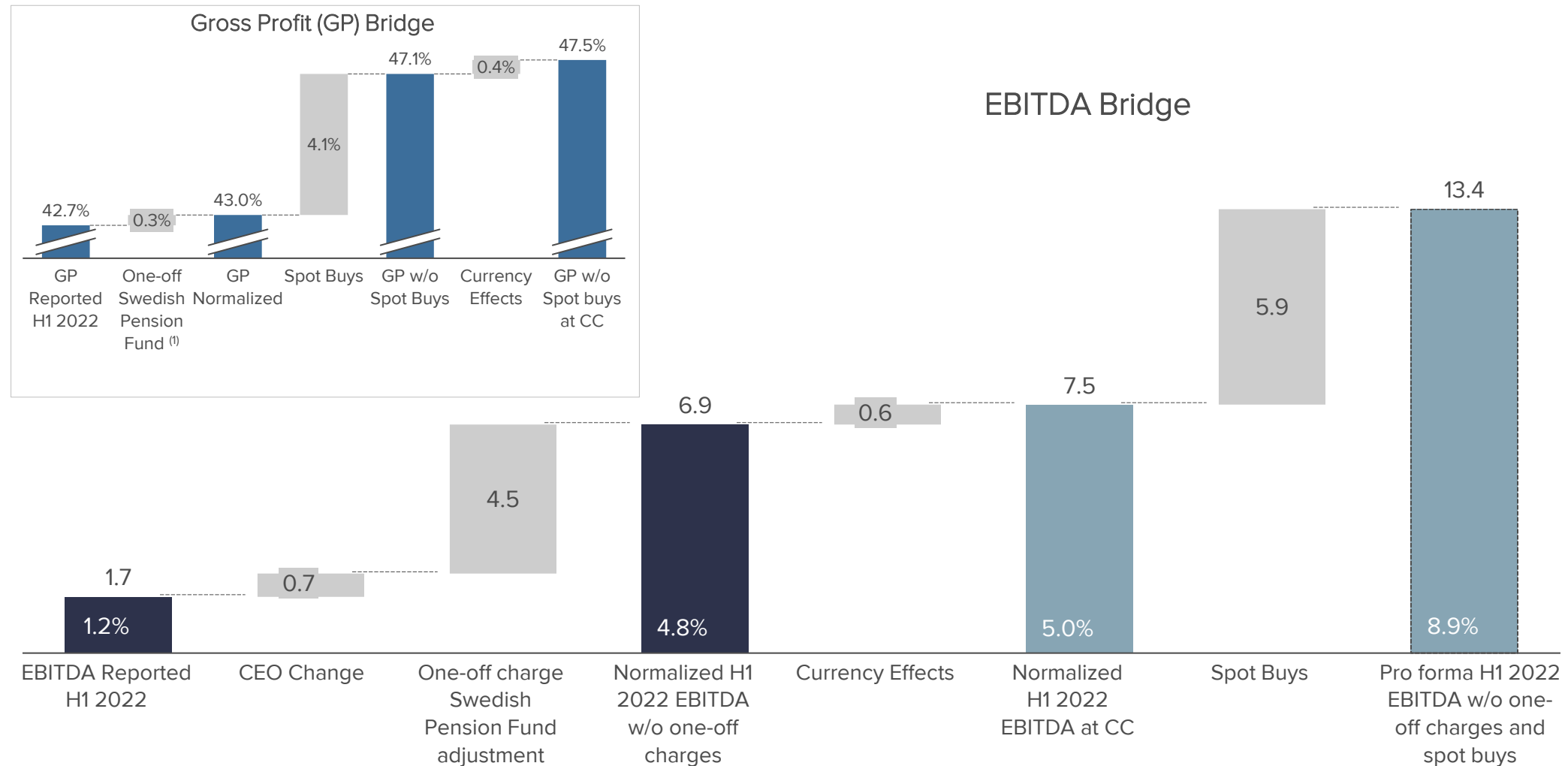
# Growth in both Healthcare and Enterprise Segments

Share of Recurring Revenue amounts to 26.3%

		Revenue CHFm	Variance to PY		Comment
			%-cc	%-CHF	
Market Segment	 <b>Healthcare</b>	96.8	+5.0%	+1.6%	<ul style="list-style-type: none"> <li>DACH, Rest of World and USA &amp; Canada driving growth. Nurse call adversely impacted by component shortage</li> </ul>
	 <b>Enterprise (excl. OEM)</b>	36.7	+12.1%	+6.5%	<ul style="list-style-type: none"> <li>Bounce back in Nordics, Netherlands and UK post easing of Covid-19 restrictions</li> </ul>
Revenue Type	 <b>Recurring</b>	37.8	+7.5%	+3.2%	<ul style="list-style-type: none"> <li>Continued growth in recurring revenue led by Netherlands and Nordics - Software recurring revenue growing at 24% and driven by USA &amp; Canada</li> </ul>
	 <b>Non-recurring</b>	106.0	+6.9%	+2.4%	<ul style="list-style-type: none"> <li>Strong growth in Mobility and Patient Systems sales driven by Nordics, OEM and Rest of World</li> </ul>

# EBITDA and Gross Profit Bridge

## EBITDA impacted by one-off charges and component shortage



# Swedish Pension Fund adjustment

Non-cash relevant one-off charge of CHF 4.5 million due to revaluation of Swedish Pension Fund provisions

- **Defined benefit plan** in Sweden for pensioners and employees born before 1978
- **Revaluation** of the Swedish benefit plan taking into account an assumed decrease of the discount rate of future disbursements and higher life expectancy
- First revaluation of the discount factor since 1994
- Revaluation leads to **increase of provision** for Swedish benefit plan by CHF 4.5 million (CHF 4.0 million in other functional cost, CHF 0.5 million in Cost of Sales)
- **One-off charge and non-cash relevant**
- Other Ascom pension plans are not affected

# H1 2022 P&L

Profitability impacted by one-off charges and significant spot buys costs

	2022	%	2021	%	Variance %-cc	Variance %-CHF
Net Revenue	143.8	100.0%	140.1	100.0%	7.1%	2.6%
Cost of Sales	(82.4)	(57.3%)	(72.7)	(51.9%)	17.1%	13.3%
<b>Gross Profit</b>	<b>61.4</b>	<b>42.7%</b>	<b>67.4</b>	<b>48.1%</b>	<b>(3.7%)</b>	<b>(8.9%)</b>
Marketing & Sales	(38.0)	(26.4%)	(36.3)	(25.9%)	9.1%	4.7%
Research & Development	(15.3)	(10.7%)	(15.7)	(11.3%)	4.5%	(2.5%)
Administration	(11.0)	(7.7%)	(11.4)	(8.2%)	1.8%	(3.5%)
Other Operating Expenses/Income	(0.6)	(0.4%)	(0.6)	(0.4%)	0.0%	(16.7%)
<b>EBIT</b>	<b>(3.5)</b>	<b>(2.4%)</b>	<b>3.4</b>	<b>2.4%</b>		
<b>EBITDA</b>	<b>1.7</b>	<b>1.2%</b>	<b>10.1</b>	<b>7.2%</b>		
<b>EBITDA w/o one-off Charges</b>	<b>6.9</b>	<b>4.8%</b>	<b>10.1</b>	<b>7.2%</b>		

## Main negative drivers

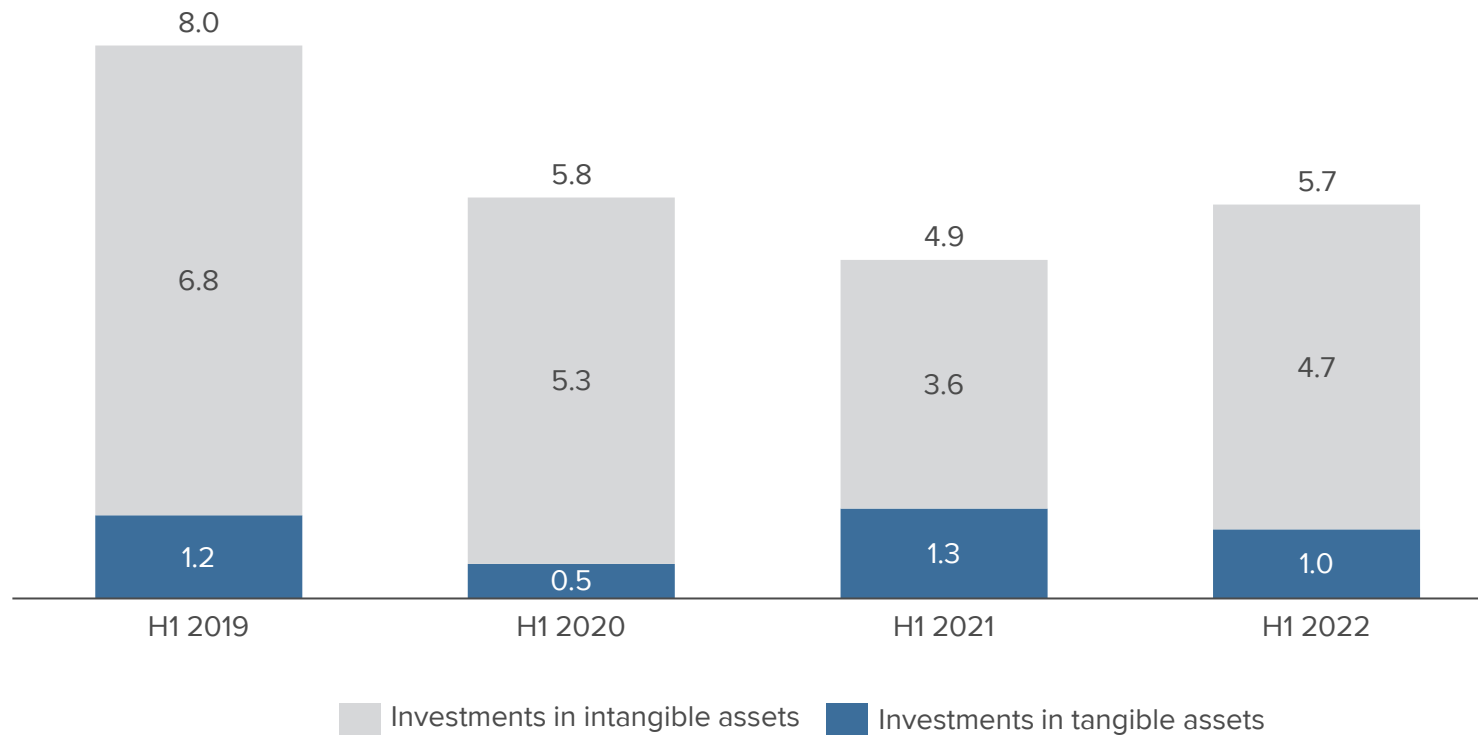
- Cost of Sales increase mainly due to spot buys (CHF 5.9 million), which are of temporary nature
- Time effect between raw material cost increase and customer price increase
- Negative currency effect

## Main positive drivers

- Net sales price increase, but full effect only in H2 2022 and beyond
- Gross Profit Margin without one-off charges and spot buys would be at 47.5%
- Functional costs reduced by CHF 3.9 million, partially off-set by one-off charges (Swedish pension fund, CEO change)

# CAPEX

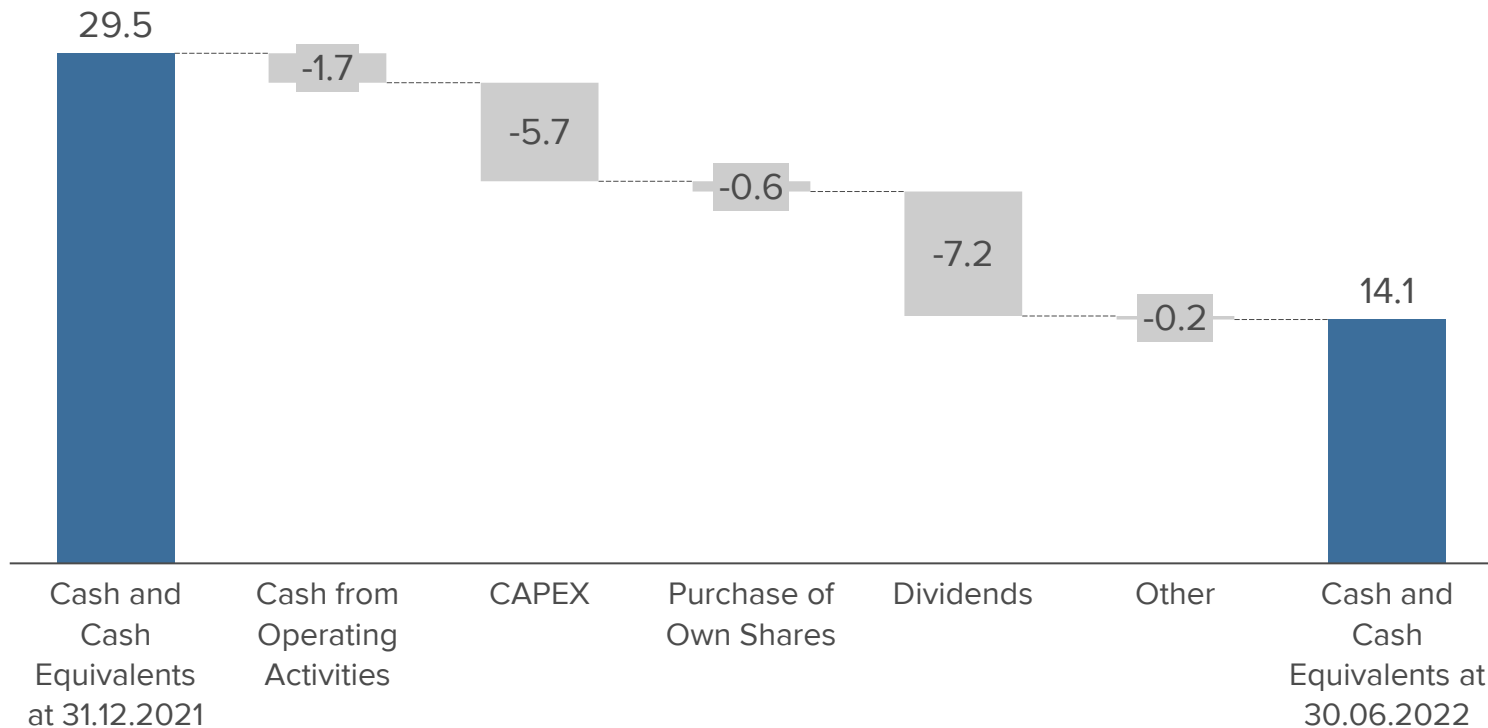
## Stable CAPEX profile



- Intangible assets increased due to further investments in key products
- Tangible assets remain stable

# Cash Flow Development

Lower operating cash flow due to spot buys cost and higher working capital



- Operating cash flow lower than 2021 due to spot buys (CHF 5.9 million) and higher working capital
- CAPEX in line with previous year
- Purchase of own shares for LTI Program
- Dividend payments lowering cash flow

# Balance Sheet Evolution

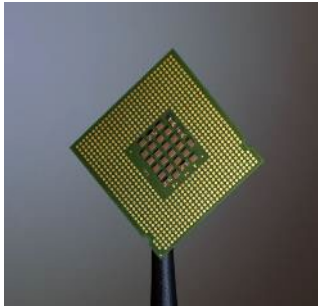
## Solid Balance Sheet with positive Net Cash position

	2022 30-Jun	2021 31-Dec	2021 30-Jun	2020 31-Dec
Cash & Cash Equivalents	<b>14.1</b>	29.5	33.0	31.8
Borrowings	-	-	-	(19.0)
Net Cash	<b>14.1</b>	29.5	33.0	12.8
Net Working Capital	<b>58.1</b>	58.3	45.2	49.0
Total Assets	<b>178.2</b>	194.7	192.6	203.1
Total Equity	<b>65.2</b>	80.0	75.3	71.1
Equity Ratio	<b>36.6%</b>	41.1%	39.1%	35.0%

- Net Cash lower due to spot buys and dividend payments, nevertheless **positive Net Cash** position in challenging environment
- NWC increase driven by higher receivables and inventory (compared to June 2021)
- Total assets decreased due to lower cash and full amortization of some non-current assets

# Navigating in Challenging Macro Environment

## Component market

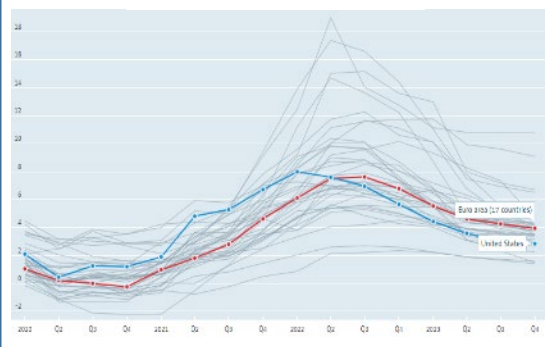


## COVID-19 lockdowns



- Supply visibility limited due to industry-wide component shortages, shipping congestions, and COVID-19 lockdowns
- Expect shortages to continue over H2 2022 while suppliers are adding capacity that should come on-line starting late 2022 / early 2023

## Inflation<sup>1</sup>

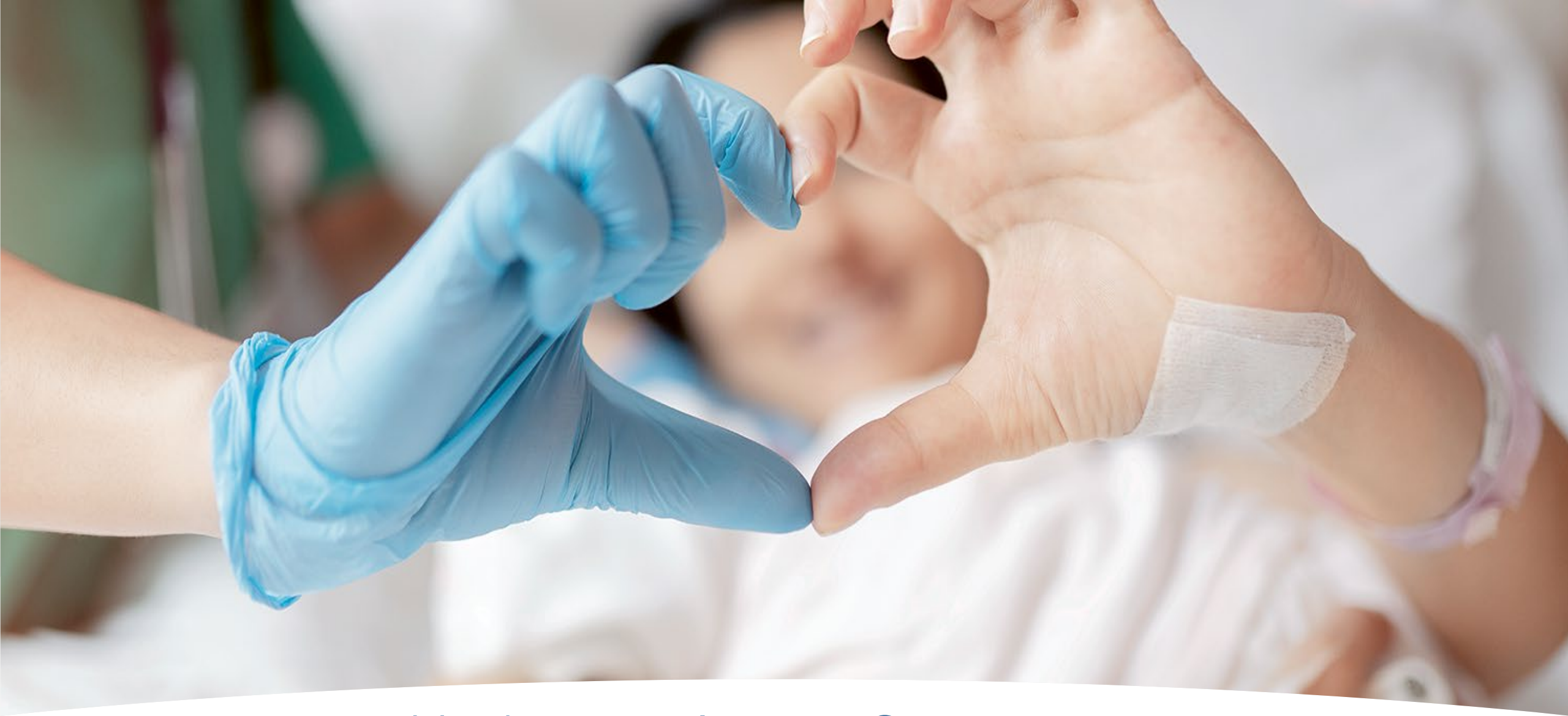


## Shipping congestion<sup>2</sup>

TRADE UPDATES	SPACE (CAPACITY)	SCHEDULE RELIABILITY
Asia-Europe (Westbound)	●	●
Europe-Asia (Eastbound)	●	●
Europe-US	●	●
US-Europe	●	●
Asia-US	●	●
US-Asia	●	●
Intra-Asia (incl. AU)	●	●

## Ascom actions to navigate through current environment

- Ascom tiger team in place to best manage component sourcing and redesign certain components for alternative or dual sourcing
- Focus on operational efficiency and cost actions
- Price increases in view of inflation and cost increases of components, energy and logistics



# Update on Ascom Strategy

**ascom**

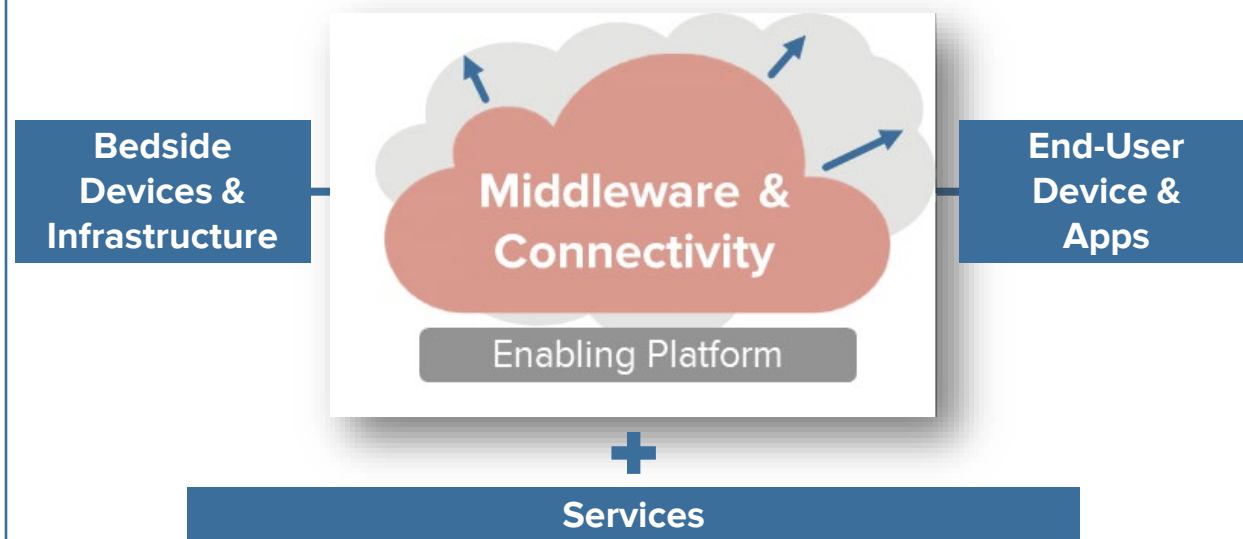
Nicolas Vanden Abeele, CEO

# Accelerating Ascom's growth ambition to become *the* industry leader in the digital delivery of care

## Ascom Today

**Our Mission - To transform data into insights and actionable outcomes to**

- Improve **Patient Outcomes**
- Enable more **effective Delivery of Care**



## Ascom's Growth Ambition

Increase market share

+

Grow share of wallet

+

Expand Middleware & Connectivity Solutions

=

**Industry Leader in the Care Continuum**

# 3 Chapters of Ascom's Equity Story

2022/23

2024/25/26...

Indicative timing & phases overlapping



## **Shape** Focus to Perform

- **Build on the right foundations**
- Strengthen **competitive capability**
- Step up **Thought Leadership**
- Improve **financial performance**



## **Expand** Profitable Growth Acceleration

- Accelerate **growth momentum & EBITDA accretion**
- **Develop « outcomes » capabilities**
- Improve **innovation speed**
- Sustain **company performance and efficiency**



## **Excel** Ascom Fit for Future

- **Sustained growth and EBITDA accretion**
- **Enriched workflows** with artificial intelligence, wearables, data
- **Sustainable impact** with customer, people, planet *first* approach

Ascom sees clear path to **double-digit revenue growth**  
and annual **EBITDA margin accretion**

# Ascom's Growth Model

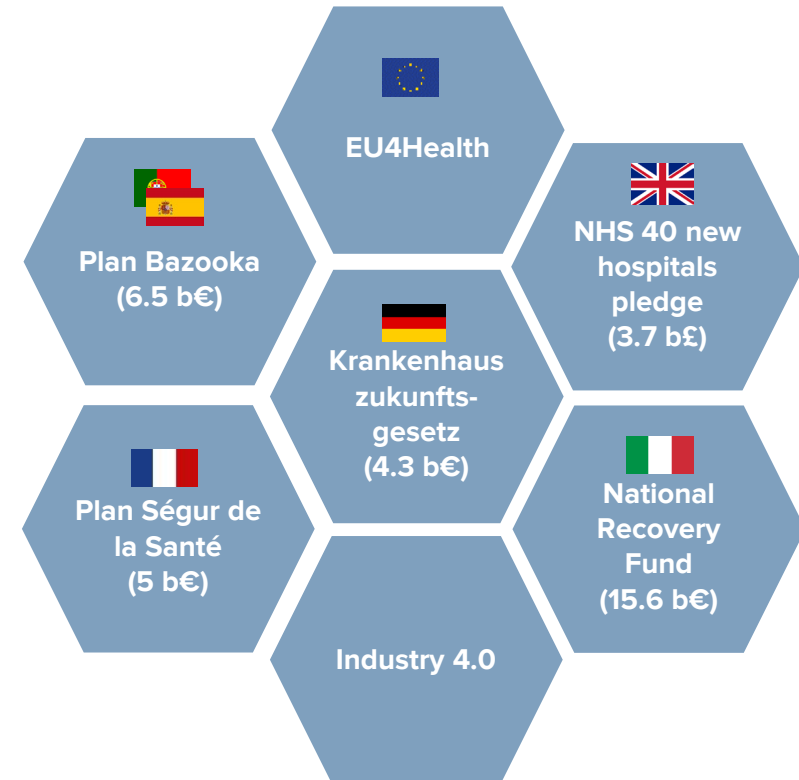
A solid basis for Ascom's journey forward



# Strong sector fundamentals

Ascom is active in markets with strong secular growth trends

- Covid as a catalyst for **digitalization**
- **Public** Recovery and Resilience **investment funds & plans**
- **Software** as key enabler for **better patient outcomes**, more **effective & efficient care**, and **mitigation of staff shortages**
- Industrial **safety solutions** with automation solutions to enhance safety and control
- Industry & Government initiatives on **Industry 4.0**





# High Growth Potential in Acute Care

Transforming data into insights and actionable outcomes to help care providers make vital decisions

## Customer Pain Points



**Alarm Fatigue**  
**942 high priority alarms**  
 # recorded per day  
 (major US hospital)



**Work Overload**  
**38% of nurses**  
 “had to leave necessary tasks undone” because of workload  
 (UK study)



**Miscommunication**  
**80% of serious medical errors**  
 due to miscommunication

## Market Drivers

Improve **patient outcome & quality of care**

Improve **staff efficiency & staff experience**

Reduce **alarm fatigue**

Reduce **operational cost**

Reduce **administration**

Improve **flexibility**

## Ascom's Strategy

- **Thought-leadership** in real-time communication & collaboration
- Boost **software growth** with new and existing customers
- Grow market share with **Nurse Call** offerings
- Enhance offerings with **comprehensive analytics** and dashboard **reporting**
- Increase **scalability** in sales & deployment



# Expanding footprint in Long-term Care (LTC)

Transforming data into insights and actionable outcomes to increase situational awareness and better delivery of care

## Customer Pain Points



**Ageing population & staff shortage**

**2mio workers short**  
in the care industry in EU



**Falls**

**34K deaths**  
due to elderly falls in 2019  
**1 out of 5 falls**  
result in serious injury



**Increasing Cost**

**2.5% of GDP**  
EU long-term care cost to  
increase from 1.5% → 2.5% of  
GDP in 2050 vs now

## Market Drivers

Improved **quality of care**

**Situational awareness**  
(location, wander mgt, fall)

Reduce **administration**

**Efficiency & operational cost**

**Care delivered in homes** (via sensors)

**New technology & care models** for  
prevention, early detection & personalized care

## Ascom's Strategy

- Accelerating growth with **additional software solutions** for alerting, proactive & preventive monitoring
- **Expanding Nurse Call share** through next generation and economy tier product
- **Strategic Partnership** with large regional providers (e.g. Korian, Orpea, DomusVi, Alloheim)
- **Care delivered in homes**, e.g. sensing & monitoring solutions



# Enterprise focus on 2x2 Segments

Offering highly-reliable and role-based mobile orchestration solutions to address mission-critical challenges

## Customer Pain Points



### Fatalities

**13K**

occupational fatalities from work-related accidents



### Cost

**USD 164 billion**

Total cost of US work-related injuries (2020)



### Overstrain

**33% of work injuries**

resulting in productivity loss due to overexertion (lifting or repetitive movements)

## Market Drivers

**Security and safety** a key priority

**Technology to reduce cost, inefficiencies & workforce shortages**

**From voice-based mobility to data-driven monitoring, sensing and UCaaS**

## Ascom's Strategy

Focus on **2x2 Segments** with similar workflows needs

**Industry & Security**


  
Lone worker & staff safety

  
Fire Alarm integration


  
Predictive Maintenance

Workflows: Guaranteed alarming, communication & geo-location services in case of critical events

**Retail & Hospitality**

  
Workflow Orchestration

  
Alert Management

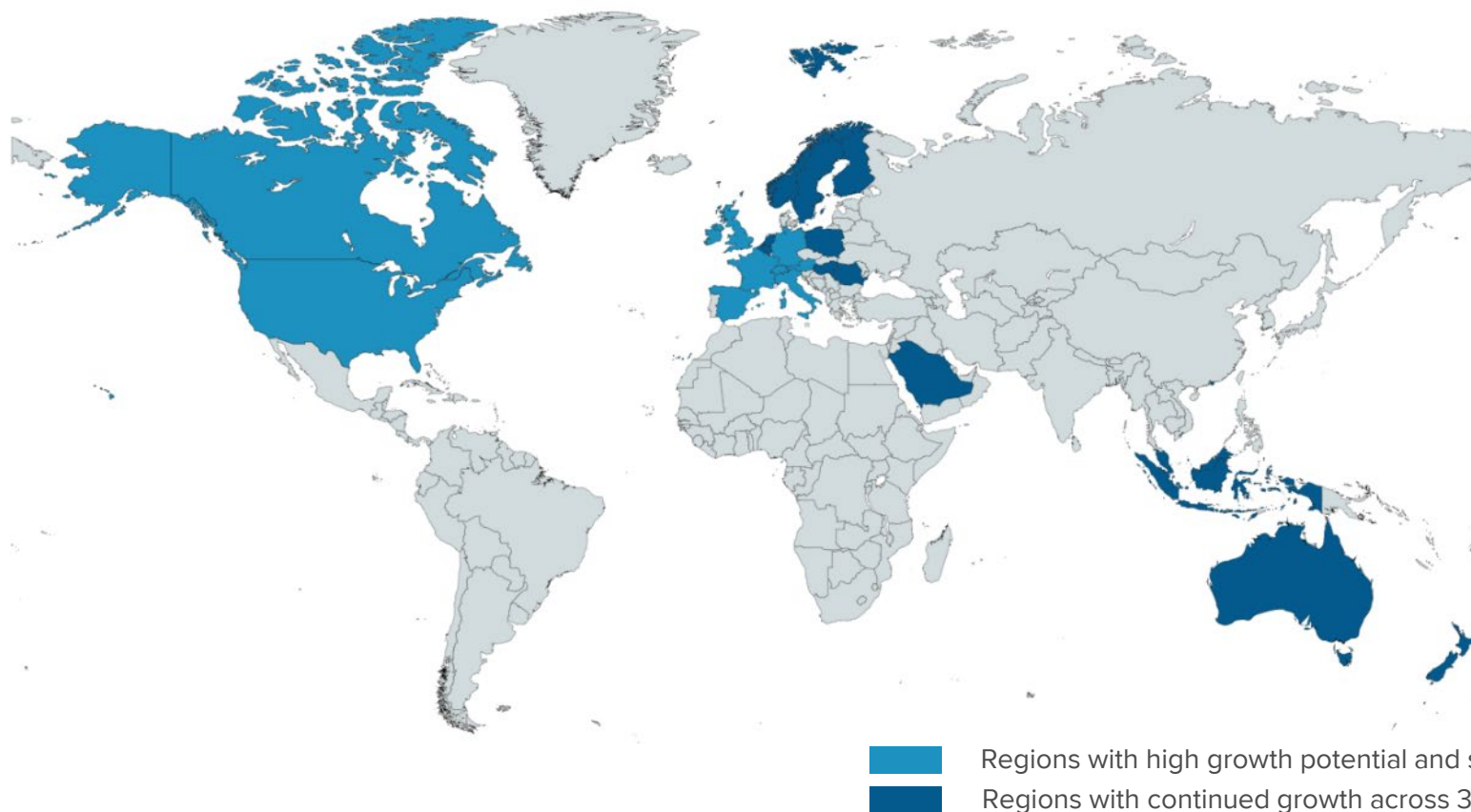
  
Reliable Mobility

Workflows: Staff safety, coordination & orchestration & quick reaction times in multiple sites



# Global & Market expansion

Stepping up growth ambitions across all segments

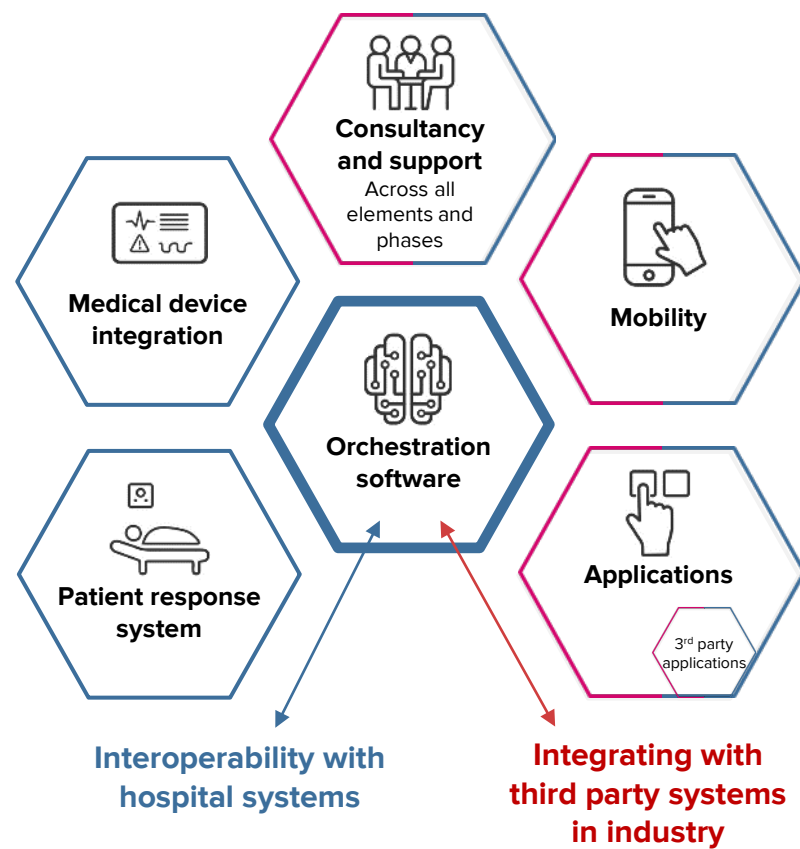


- **Continued investment** in sales and service
- **Clear focus and use of resources** across markets
  - Key focus growth markets



# Ascom Healthcare & Enterprise Platform

Digitalization as a key enabler for better patient and personnel outcomes



## Healthcare Platform for **real-time communication and collaboration (RTCC)**

- Designed to **improve patient and medical staff outcomes**
- **End-to-end solutions** from bed, to middleware to handset
- **Workflow optimization suite** for alerting, alarming, orchestration and **predictive insights**
- **Modular and vendor agnostic**
- Intuitive and harmonized **User Interface experience**

## Enterprise Platform for **productivity, safety and communications**

- A **complete communications and workflow portfolio** for 2x2 segments
- Includes **enterprise-grade hardware, software, mobile devices** (incl. ATEX phones)
- **Modular and vendor agnostic Integration** with any telephony, alarm, IT systems

→ **Virtualized, Cloud, SaaS, Scalable**



# Accelerating Software growth with RTCC and Ofelia (I)

## Executing on our strategy with Healthcare Platform launch

### Launch of new Healthcare Platform



- Leveraging Ascom's **leadership position** in Real-time Communication & Collaboration (**RTCC**) with **new integrated SW platform**
- Use Case supported **7 standard solutions & 100s workflows**
- Launch planned H2 2022

### Accelerating Ascom's SW growth

- **Reinforcing** Ascom's position **with hospitals & LTC** partners
- **More scalable & standardized solutions**
  - Increasing sales & deployment effectiveness
  - Platform convergence
  - Reliability advantage
- **Stepping up Ascom's growth as key enabler for digital delivery of care**



# Accelerating Software growth with RTTC and Ofelia (II)

Executing on our strategy with acquisition of Ofelia Software platform

## Acquisition of Appliware Ofelia



- **Technology injection** with state-of-the art **SW platform**
  - Cloud-based alerting & alarming platform
  - Modular workflow engine and easy-to-use GUI
- **Bolt-on** acquisition
- **Transaction completed** in July 2022

## Accelerating Ascom's SW growth

- **Cost-competitive & modular SW platform**
  - Easy to configure, install, upgrade
  - Fully scalable
- **Reinforcing** Ascom's position and **boosting growth** in **Long-Term Care** and **Enterprise**, as well as in entry-level **Acute Care**
- **Leveraging existing installed base and partnership with leading corporations** to grow globally
  - Large European Healthcare groups
  - Leading Industrial groups (FMCG, chemical, life-sciences, energy, etc.)



# Executing Operational Excellence

## Key priorities going forward



- **Customer centric & scalable** solutions
- **Customer ROI driven value propositions**
- Strengthened partner network and strategic alliances



- **Leverage new Healthcare / Enterprise Platform (RTCC)**
- **Unified Nurse Call Platform**
- Enhance product life cycle management



- Focus on **operational efficiency**, cost and asset management
- **Better customer-facing processes** and **tools** to help accelerate market expansion & growth
- **Global supply chain** teams proactively addressing supply chain challenges

## Reference Project (I)

# Ascom Digistat: Efficient and patient-centric alerting solution

Stiftung Mathias-Spital Rheine – Germany

### Customer situation



50+ facilities in fields of hospitals, elderly care, specialist practices and education facilities



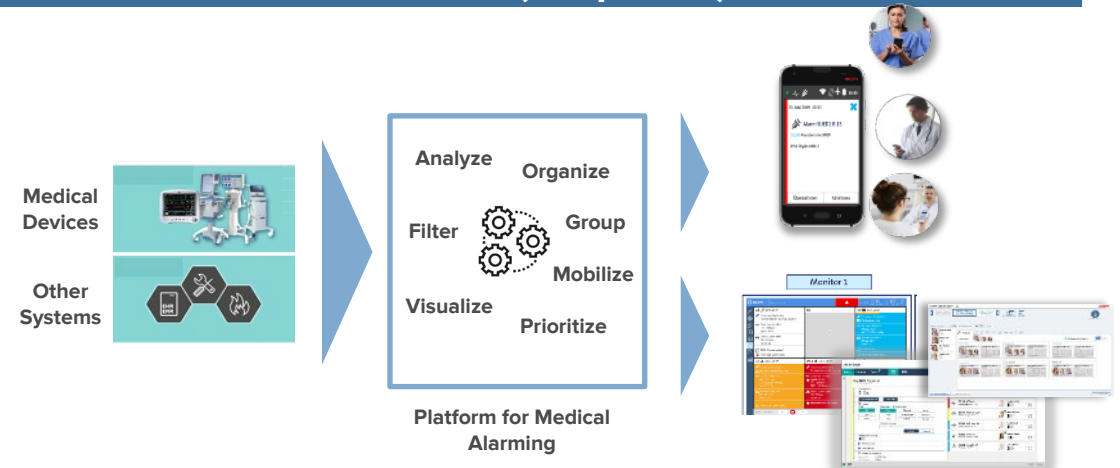
Service company with focus on preventive health care and well-being of patients



**Goal:** Enable central collection of medical device data in order to forward them in the PDMS

**ascom**

### Solution (simplified)



### Value and benefits for customer

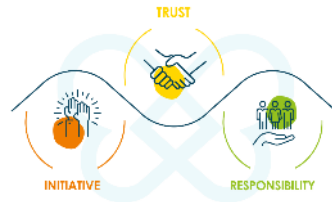
- Digistat SW with vendor-neutral medical device integration
- Display alerting on dashboards and forwarding to Ascom Myco 3 smartphone


# Reference Project (II)


## Ascom Ofelia: Multi-Tenant Software Solution


### Korian European - Belgium

#### Customer situation



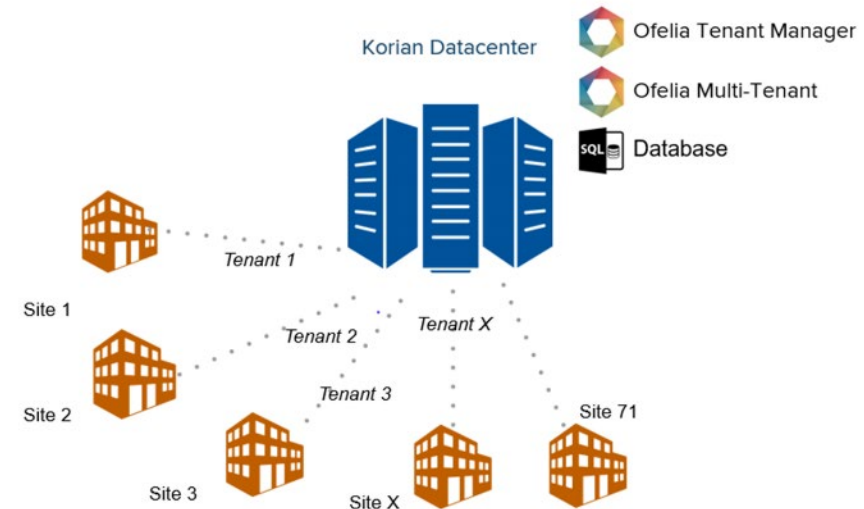
 Korian European scale elderly care service provider for 525.000 residents with 57.500 employees

 Active in France, Belgium, Netherlands, Germany, UK, Spain and Italy

 **Goal:** Single point managed software application to measure, assess and improve service quality  
Enable central data collection of Nurse Call and integrations with other systems

**ascom**

#### Solution (simplified)



#### Value and benefits for customer

- Implementation of Ofelia multi-tenant suite in Korian Datacenter for 71 sites
- Focus on analyzing data from within nurse call systems for quality and legislative purposes
- Integration of nurse call systems in EHR in 2023 in combination with Myco 3

# Reference Project (III)

## Ascom Platform

### Health South East (HSØ) – Hospital Drammen - Norway

#### Customer situation



Norway's largest Regional Health Authority with 11 Hospital Trusts (33 hospitals on 75 sites) with 80.000 employees serving 2.9 million people

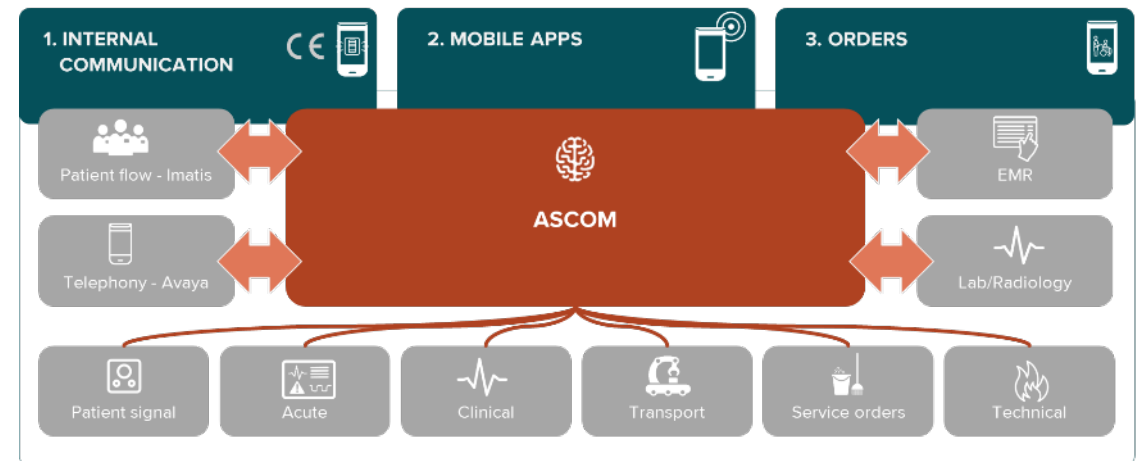


Public tender for 8 new hospitals building projects



**Goal:** Nurse Call and alarming solution as well as integration with health logistics for newly built hospitals (somatic & mental health)

#### Solution (simplified)



#### Value and benefits for customer

- Implementation of Ascom solutions for 1.100 patient rooms over 122.000 m2 with Telligence patient response system
- Integration with input, output as well as medical devices for all sites



## Outlook / Guidance

**ascom**

Nicolas Vanden Abeele, CEO

# Guidance 2022

Ascom targets for 2022 **mid- to high single digit revenue growth** and **EBITDA margin improvement** of about **100bp** (basis points)\* compared to fiscal year 2021

\* normalized (adjusted for one-off charges, i.e. Swedish pension fund and CEO change), at constant currencies, and based on the current market and economic environment

**ascom**



# Confirmation of Mid-term Guidance

- **Ascom sees clear path to double-digit growth over the next years**
  - Above-average growth of the Healthcare communication market driven by digitalization, post-Covid developments, staff shortages, and governmental funding programs
  - Growth opportunities in US market due to new GPO frame agreements, more software sales and more recurring revenue
  - New opportunities in OEM business due to trend towards solution driven business
- **Ascom expects an annual EBITDA-margin improvement of about 100 bp (basis points) until 2025 compared to fiscal year 2021**

Ascom's mid-term guidance for the next four years is based on the current market and economic environment, current visibility and at constant currencies

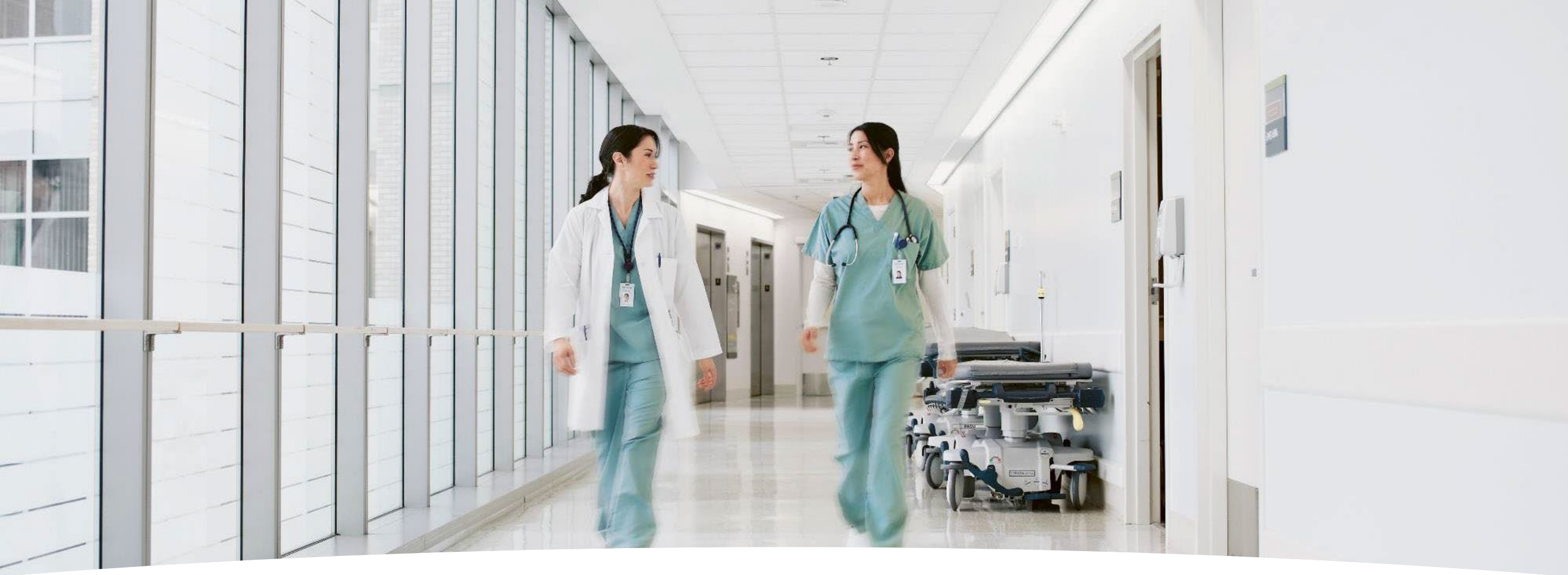
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# Ascom is well positioned for future growth

- Active in **markets with strong secular growth trends**
- Excellent set of **niche and complementary businesses...**
- **...with key growth potential in Healthcare & Enterprise with integrated platform solutions**
- **Solid foundations and clear course**
- Despite continued component shortages and macro-economic uncertainties, **key focus on accelerating growth and improving efficiency and operating leverage**





Q&A

**ascom**

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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.