



17 August 2017

Ascom Group Media Office, Daniel Lack, Company Secretary & CCO

+41 41 544 78 10, daniel.lack@ascom.com

Ascom H1 2017 results meet expectations

Many milestones reached in order to execute the strategy

- Ascom organization strengthened
- Successful launch of Ascom Myco 2 and Ascom Telligence
- Important orders won both in the healthcare and enterprise sectors
- Financial results meet Company's expectations
- Net revenue of CHF 143.2 million, organically flat compared to previous year's restated portfolio (H1/2016 continuing business (excluding the divested division Network Testing): CHF 146.1 million)
- Incoming orders increased by 2.2% at constant currencies to CHF 158.0 million (H1/2016 continuing business: CHF 157.9 million)
- Lower functional costs resulted in an EBITDA increase to CHF 13.9 million compared to CHF 13.1 million for the restated portfolio in the previous year
- Group profit for the first half-year 2017 came to CHF 6.6 million compared to a loss CHF 5.6 million for the first half of 2016 (Group result incl. Network Testing)
- Financially sound company with a net cash position of CHF 11.1 million and an equity ratio of 28.2% as of 30 June 2017

Guidance confirmed

- Accustomed seasonality of Ascom's business indicates a stronger second half of 2017, strategic and operational measures gain traction
- Ascom confirms the communicated guidance for the full year 2017: Revenue growth of 3–6% at constant currencies; EBITDA margin of 14–15%
- Mid-term targets for 2020 confirmed: Revenue growth of 7–10% by 2020 with the ambition to reach an EBITDA margin of around 20%



Dedicated strategy implementation to become a best-in-class ICT healthcare provider

Ascom is executing its strategy to become a best-in-class ICT healthcare provider, and looks back on an active and eventful first half-year 2017. The Company has focused intensively on the set-up of the OneCompany functional organization with a lower cost base compared to 2016; this process has been mostly completed. Furthermore, the management team has been strengthened with the appointment of further industry-leading experts, and the sales force has been further improved with additional, well-experienced sales people.

Ascom secured important order wins in both the healthcare and enterprise sector, and the Company was able to ramping up of new partnership agreements successfully. In addition, the OEM business bounced back and performed well during the first half of 2017. Product-wise, Ascom launched several key new products and solutions. In the first half-year 2017, the second-generation Ascom Myco 2 smartphone was successfully launched, as well as the new Ascom Telligence Patient Response System.

Financial results for the first half-year 2017 meet expectations

The results of Ascom Group for the first half-year 2017 were in line with expectations and reached for incoming orders and net revenue comparable levels on the restated portfolio (excluding the divested division Network Testing) in a stable market environment. Currency translation had a negative impact of about 2%.

Overall, Ascom experienced an organically flat revenue development and generated in the first half-year 2017 net revenue of CHF 143.2 million (H1/2016 continuing business: CHF 146.1 million). Incoming orders were at CHF 158.0 million (H1/2016 continuing business: CHF 157.9 million), representing an increase of 2.2% at constant currencies.

Notwithstanding the hiring of additional software engineers and sales resources in the first half-year 2017, the functional costs were slightly lower than in the previous year. Ascom achieved in the first half-year 2017 an EBITDA of CHF 13.9 million with an EBITDA margin of 9.7%, compared to an EBITDA of CHF 13.1 million with an EBITDA margin of 9.0% for the restated portfolio (continuing business) in the previous year.

Ascom closed the first half-year of 2017 with a Group profit of CHF 6.6 million compared to a loss of CHF 5.6 million for the first half-year 2016 (Group result including Network Testing). In spite of a large dividend payout of CHF 28.8 million in April 2017, Ascom remains a financially sound company with a net cash position of CHF 11.1 million and an equity ratio of 28.2% as of 30 June 2017.

Stronger second half-year 2017 expected

The results of the first half-year 2017 were in line with the Company's expectations. The accustomed seasonality of Ascom's business indicates a stronger second half-year also in 2017. In addition, the Company's strategic and operational measures gain traction. While the first half-year 2017 was still impacted by the aftermath of the OneCompany restructuring



and the ongoing recruiting of new experienced professionals, the second half-year is expected to benefit from the new organization structure as well as from several new solutions such as Ascom Myco 2, Ascom Telligence and new Ascom Unite middleware functionalities. Furthermore, the expansion of a strong and effective salesforce and the ramping up of new partnership agreements will support the positive development of Ascom's business during the months to come.

Guidance confirmed

Based on the positive outlook for the second half-year 2017, Ascom confirms the communicated guidance for the full year 2017 to achieve revenue growth of 3–6% at constant currencies and an EBITDA margin of 14–15%.

The mid-term targets for 2020 as communicated on 3 November 2016 are confirmed as well: Ascom strives to achieve 7–10% revenue growth by 2020 and has the ambition to reach an EBITDA margin of around 20%.

Changes in the Executive Management

The Board of Directors and the Executive Committee welcome Anette Weber as new CFO starting on 1 August 2017.

After six years of successful contribution to Ascom, Judith Bischof, General Counsel, decided to leave the Company by the end of January 2018 in order pursue an attractive career opportunity in a large business. A succession solution will be communicated in due time.



KEY FIGURES H1/2017

Swiss GAAP FER

| CHFm | Ascom continuing business | | Total Ascom | |
|------------------------------------|---------------------------|-------|--------------|--------------|
| | 2017 | 2016 | 2017 | 2016* |
| Incoming orders | 158.0 | 157.9 | 158.0 | 200.9 |
| Order backlog | 136.8 | 131.6 | 136.8 | 155.5 |
| Net revenue | 143.2 | 146.1 | 143.2 | 181.3 |
| EBITDA | 13.9 | 13.1 | 13.9 | 5.2 |
| Group profit for the period | | | 6.6 | -5.6 |
| Employees (FTE) at 30.06. | 1,199 | 1,318 | 1,199 | 1,712 |

* Half-year 2016 numbers (Total Ascom) include the former Network Testing Division, which was divested on 30 September 2016.

The complete 2017 Half-year Report of the Ascom Group and the Half-year Results Presentation 2017 are available in English only and can be viewed online at <https://www.ascom.com/Investor-Relations/Financial-information/Reports-and-presentations.html>

Audio Live Webcast to the half-year media conference: <http://swisscomstream.ch/ascom/audiowebcast/>

ABOUT ASCOM

Ascom is a global solutions provider focused on healthcare ICT and mobile workflow solutions. The vision of Ascom is to close digital information gaps allowing for the best possible decisions – anytime and anywhere. Ascom's mission is to provide mission-critical, real-time solutions for highly mobile, ad hoc, and time-sensitive environments. Ascom uses its unique product and solutions portfolio and software architecture capabilities to devise integration and mobilization solutions that provide truly smooth, complete and efficient workflows for healthcare as well as for industry and retail sectors.

Ascom is headquartered in Baar (Switzerland), has subsidiaries in 15 countries and employs around 1,200 people worldwide. Ascom registered shares (ASCN) are listed on the SIX Swiss Exchange in Zurich.

This document does not constitute an offer or solicitation to subscribe for, purchase or sell any securities. This document is not being issued in the United States of America or the United Kingdom and should not be distributed in any jurisdiction in a manner where such distribution would not comply with regulatory requirements. In particular, this document may not be distributed into the United States, to United States persons or to publications with a general circulation in the United States. In addition, the securities of Ascom have not been and will not be registered in any jurisdiction outside Switzerland. The securities of Ascom may not be offered, sold or delivered and no solicitation to purchase such securities may be made within the United States or to U.S. persons absent an applicable exemption from the registration requirements of the United States securities laws or within any other jurisdiction and in a manner where such offer, sale, delivery or solicitation might not be in compliance with regulatory requirements (including the United Kingdom).