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Ascom completed the implementation of the OneCompany organization and achieved solid results in 2017

Financial Results 2017
- Net Revenue of CHF 309.7 million with a growth rate of 3.1% (2.3% at constant currencies)
- Incoming orders of CHF 324.8 million with a growth rate of 7.2% (6.4% at constant currencies)
- EBITDA of CHF 43.6 million representing an EBITDA margin of 14.1%
- Group profit of CHF 25.9 million
- Equity ratio of 36.2% with a net cash position of CHF 12.3 million

Dividend proposal
- CHF 0.45 per share

Outlook
- 2018: 3–6% revenue growth; EBITDA margin is expected to be in line with prior year, up to around 15%
- 2020 (mid-term target): 7–10% revenue growth with the ambition to reach an EBITDA margin of around 20%

Note: 2016 numbers are pro forma numbers and equal to the Group results adjusted for the former division Network Testing divested in September 2016

Solid financial results achieved in 2017

Incoming orders increased significantly and came to CHF 324.8 million (2016: CHF 302.9 million). In terms of revenue, the second half-year 2017 was much stronger than the first six months. Overall, consolidated net revenue increased to CHF 309.7 million, representing a growth rate of 3.1% (2.3% at constant currencies).

As expected, EBITDA significantly improved in the second half of 2017. For the full-year 2017, EBITDA margin came to 14.1% compared to 9.5% in 2016. With this result, Ascom met its profitability target as communicated. The EBITDA margin achieved 17.8% in the second half-year 2017 compared to 9.7% in the first half-year.

While business activities in Europe showed good growth and the OEM business bounced back, the operations in North America did not meet the expectations. Therefore, targeted measures were initiated to significantly strengthen the market position in this attractive region. Moreover, important strategic partnerships with strong players such as GE Healthcare and Dräger were signed in 2017. Double-digit growth could be achieved with software sales.

Ascom closed financial year 2017 with a Group profit of CHF 25.9 million compared to a Group loss of CHF 145.7 million for financial year 2016 (which was impacted by a one-time effect in connection with the divestment of the Network Testing division as of 30 September 2016).

The Company has a solid balance sheet with an equity ratio of 36.2% and a net cash position of CHF 12.3 million as of 31 December 2017.

Dividend of CHF 0.45 per share

Ascom has a solid equity story focusing on long-term profitable growth and cash generation to create value for all stakeholders. The Board of Directors is proposing a dividend of CHF 0.45 per share to the Annual General Meeting 2018, representing a payout ratio of 62.5% of the Group profit. The higher dividend payment for fiscal year 2016 was an exception due to the pay out of the major part of the proceeds from the divestment of the former division Network Testing.

Successful launch of pioneering products

Innovation is an important success driver for Ascom's growth strategy. The Company sets new industry standards and increases workflow productivity in the healthcare sector as well as in the enterprise sector. Therefore, several products and solutions were launched during 2017, e.g. expanding the Ascom Myco portfolio, the new Ascom Telligence Patient Response System and the Unite Integration Platform. Going forward, Ascom has a strong pipeline of innovative products and solutions including two new versions of the smart device Ascom Myco as well as new software solutions. Ascom targets to increase the share of software and professional services in its total revenue.

All Board members stand for re-election

The Board of Directors proposes to the Annual General Meeting that the five current members of the Board, Dr Valentin Chapero Rueda, Dr Harald Deutsch, Jürg Fedier, Christina Stercken and Andreas Umbach for re-election for a further one-year term of office. Andreas Umbach is proposed to be re-elected as Chairman of the Board while Dr Valentin Chapero Rueda and Dr Harald Deutsch shall be confirmed as members of the Compensation Committee.

Outlook

With the solid results in 2017 and the achieved strategic milestones, Ascom has set a good basis for executing the clearly defined strategy to become a best-in-class healthcare ICT and mobile workflow solutions provider. In 2018, Ascom strives to accelerate the strategy execution and sees strategic growth opportunities with new solutions, new services, new partners and new markets. North America is a focus topic in 2018. A new leadership and strong and evolving partnerships will support a positive development. In addition, Ascom will further strengthen its strong market position in Europe and continue to grow the business in Asia Pacific.

Ascom targets to achieve 3–6% revenue growth for the full-year 2018. The EBITDA margin for 2018 is expected to be in line with prior year, up to around 15%. Moreover, Ascom confirms its mid-term targets for 2020: Ascom strives to achieve 7–10% revenue growth in 2020 and has the ambition to reach an EBITDA margin of around 20%.

KEY FIGURES As
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CHFm	Ascom Group (adjusted for Network Testing in 2016)				Total Ascom Group	
	2017	H2 2017	H1 2017	2016	**2017**	2016*
Incoming orders	324.8	166.8	158.0	302.9	324.8	360.4
Net revenue	**309.7**	166.5	143.2	**300.5**	309.7	354.3
EBIT	**33.2**	23.8	9.4	**21.3**	33.2	1.3
EBIT margin in %	*10.7%*	*14.3%*	*6.6%*	*7.1%*	*10.7%*	*0.4%*
EBITDA	**43.6**	29.7	13.9	**28.6**	43.6	16.9
EBITDA margin in %	*14.1%*	*17.8%*	*9.7%*	*9.5%*	*14.1%*	*4.8%*
Group profit (+) / loss (-)					25.9	-145.7

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

The complete 2017 Annual Report of the Ascom Group and the Full-Year Results Presentation 2017 are available in English only and can be viewed online at http://www.ascom.com/corp/investor-relations/reports-presentation.html

Audio Live Webcast to the full-year media conference is starting at Thursday, 1 March 2018, 09.30 CET. Please join online via http://swisscomstream.ch/ascom/audiowebcast/

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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 operating businesses in 18 countries and employs around 1,300 people worldwide. Ascom registered shares (ASCN) are listed on the SIX Swiss Exchange in Zurich.

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