



Ascom showed resilient performance in the first half-year 2020

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- **Half-year 2020 results**
 - **Net revenue** of CHF 133.4 million, growth rate of 2.8% at constant currencies¹
 - **Incoming orders** of CHF 154.8 million, increase by 1.1% at constant currencies
 - **Order backlog** as of 30 June 2020 increased by 17.6% to CHF 194.3 million at constant currencies
 - **EBITDA**² improved to CHF 8.4 million, with an EBITDA margin of 6.3%, due to efficiency gains and a decline in functional costs
 - **Group result** of a small loss of CHF 0.3 million
 - **Balance sheet** structure improved with a **positive net cash position** as of 30 June 2020

- **Targets 2020 reiterated**

Low single digit revenue growth (at constant currencies) with a high single digit EBITDA margin (under the assumption that the Covid-19 crisis will not worsen again)

Solid results achieved in the first half-year 2020

Despite the unprecedented Covid-19 pandemic, which affects companies and economies globally, Ascom closed the first half of 2020 with solid results. The swift implementation of the new Group structure, targeted measures to reduce costs and to increase efficiency allowed the Company to return to profitable growth.

Ascom generated net revenue of CHF 133.4 million for the first half-year 2020. This includes a negative currency impact of about CHF 7.5 million and represents a revenue increase of 2.8% (at constant currencies) compared to the prior year period (H1/2019: CHF 137.0 million).

Ascom benefited from strong performance in the USA & Canada due to the new leadership structure and the successful work of the task force team. UK & Ireland as well as the Nordics region showed revenue growth rates. In the DACH region, revenue was flat, while markets in France and Spain were hit hard by severe lock-down conditions set by the respective governments to battle the Covid-19 crisis. The OEM business suffered from the difficult market environment as well. However, Ascom saw additional demand from emergency activities in certain markets during the Covid-19 crisis, which compensated partially for project delays.

Revenue by market segment showed an increase in the Healthcare sector, accounting for 68% of revenue in the first half of 2020 while the Enterprise sector reflected 26% and the OEM business came to 6%.

Strong order backlog

During the first half of 2020, Ascom was able to win important orders in both the Healthcare sector and the Enterprise sector. Overall, incoming orders came to CHF 154.8 million, representing an increase of +1.1% at constant currencies (H1/2019: CHF 161.7 million). The order backlog increased by 17.6% at constant currencies to CHF 194.3 million, which presents a good base for revenue growth in the second half of 2020.

Increased profitability with an EBITDA margin of 6.3%

Ascom improved its profitability in the first half-year 2020. Gross margin increased to 47.8% (H1/2019: 44.7%) due to efficiency gains while functional costs declined by about 6% to CHF 62.7 million (H1/2019: CHF 66.7 million). EBITDA increased to CHF 8.4 million (H1/2019: CHF 1.4 million) with an EBITDA margin of 6.3% (H1/2019: 1.0%). EBIT came to CHF 1.0 million (H1/2019: CHF -5.4 million).

Ascom closed the first half-year 2020 with a small Group loss of CHF 0.3 million. The Group profit in the previous year (H1/2019: CHF 6.5 million) included positive one-off effects of CHF 8.3 million, mainly due to the sale of Technologiepark Teningen (Germany).

Stronger operating cash flow and balance sheet structure

During the first half of 2020, Ascom generated positive cash flow from operating activities of CHF 28.8 million (H1/2019: CHF 5.5 million). The higher operating cash flow resulted primarily from better net working capital management. At balance sheet date of 30 June 2020, net cash was at CHF 1.2 million (H1/2019: net debt of CHF 10.8 million) while the equity ratio amounted to 30.5% (31.12.2019: 29.5%).

Targets 2020 reiterated

Uncertainties for the second half-year 2020 are still high and the consequences of the Covid-19 pandemic for the global economy are difficult to forecast. Based on the progress Ascom has made in the implementation of the transformation projects during the first half-year 2020 and on an assumption that the Covid-19 crisis will not worsen again, Ascom reiterates the previously communicated targets. For fiscal year 2020, the Company strives to achieve a low single digit revenue growth (at constant currencies) with a high single digit EBITDA margin.

KEY FIGURES HALF-YEAR 2020

Swiss GAAP FER

In CHFm, except %

	H1 2020	H1 2019
Incoming orders	154.8	161.7
Order backlog ³	194.3	172.1
Net revenue	133.4	137.0
Gross profit	63.7	61.3
EBITDA ²	8.4	1.4
<i>EBITDA margin in %</i>	6.3%	1.0%
Group (loss)/profit	(0.3)	6.5
Number of employees (FTE) at 30.06.	1,269	1,306

¹ Constant currencies are calculated by converting numbers using the prior year's average exchange rate.

² Earnings before interest, income tax, depreciation and amortization (EBITDA) as a subtotal includes the operating result (EBIT) before deduction of depreciation and impairment of property, plant and equipment as well as amortization and impairment of intangible assets. As defined, EBIT and EBITDA do not include the impact of non-operating or extraordinary results. In the first half-year 2020, operating depreciation and amortization amounted to CHF 7.4 million (previous year: CHF 6.8 million).

³ At the end of the period.

The complete 2020 Half-year Report of the Ascom Group and the Half-year Results Presentation 2020 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 half-year media conference is starting at Thursday, 13 August 2020, 10.00 CEST. Please join online via <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 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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