



Ascom achieves growth and improves profitability in first half-year 2021

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- **Half-year 2021 with good results**
 - **Net revenue** grew by 5.0% to CHF 140.1 million (3.1% at constant currencies¹)
 - **Incoming orders** of CHF 166.2 million, increased by 7.4% (5.2% at constant currencies)
 - **Order backlog** as of 30 June 2021 at CHF 246.3 million (30 June 2020: CHF 194.3 million)
 - **EBITDA**² increased to CHF 10.1 million (H1/2020: CHF 8.4 million)
 - **EBITDA margin** improved to 7.2% (H1/2020: 6.3%).
 - **Group profit** went up to CHF 2.5 million (H1/2020: loss of CHF -0.3 million).
 - **Balance sheet structure further strengthened** with zero outstanding borrowings, net cash position of CHF 33.0 million, and equity ratio improved to 39.1% (31.12.2020: 35.0%)

- **Targets 2021 reiterated**

Ascom targets low single-digit revenue growth for the financial year 2021 and strives to achieve a double-digit EBITDA margin.³

- **Mid-term guidance**

Ascom sees a clear path to double-digit revenue growth over the next years and expects an annual improvement of the EBITDA margin of about 100 basis points until 2025³.

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

² EBITDA, earnings before interest, income tax, depreciation, and amortization, see also definition in the 2021 Half-year Report on page 5.

³ at constant currencies and given a stable economic development.

Good performance in the first half-year 2021

Ascom has made significant progress and completed the transformation process by stabilizing its business and reorganizing the Company's structure as well as re-engineering internal business processes. The overall performance was driven by solid top-line growth despite the ongoing challenges related to the continued global Covid-19 pandemic and certain component shortages in the industry.

Net revenue grew by 5.0% to CHF 140.1 million (H1/2020: CHF 133.4 million). Including a positive currency effect of CHF 2.5 million, revenue increased by 3.1% (at constant currencies¹) compared to the previous period. Business development in the regions varied in the first half of 2021. UK and the Netherlands showed a very good performance with a remarkable revenue growth. France & Spain as well as the OEM business bounced back. These markets and business unit were hit hard by the Covid-19 pandemic and benefited from the market recovery in 2021. The regions USA & Canada, and Rest of World showed moderate growth (at constant currencies), while in the DACH region revenue declined mainly due to Covid-19 related challenges in the Enterprise sector.

During the first half of 2021, revenue by market segment showed a continuing strong Healthcare sector, accounting for 68% of total revenue (H1/2020: 68%). The Enterprise sector reflected 25% (H1/2020: 26%) and the OEM business about 7% (H1/2020: 6%) of total revenue. Furthermore, Ascom succeeded in generating more revenue from Software & Solutions in the first half of 2021, and recurring revenue increased slightly to 26% compared with 25% for the full financial year 2020.

Increase in incoming orders and high order backlog

During the first half of 2021, incoming orders went up by 7.4% (5.2% at constant currencies) to CHF 166.2 million (H1/2020: CHF 154.8 million). Major regions in Europe experienced an increase in incoming orders of 6.4% at constant currencies, and incoming orders with OEM partners bounced back strongly (+77% at constant currencies). In the USA & Canada incoming orders rose by 3.7% at constant currencies, with only the region Rest of World seeing a decline in incoming orders also due to Covid-19 challenges in Australia and South East Asia.

As of 30 June 2021, order backlog stood at CHF 246.3 million, representing an increase of 22.5% (at constant currencies) (30 June 2020: CHF 194.3 million), which provides a strong base for further revenue growth.

Improved profitability

Ascom further improved its profitability in the first half-year 2021. Gross margin increased to 48.1% (H1/2020: 47.8%). EBITDA², including depreciation and amortization expenses of CHF 6.7 million (H1/2020: CHF 7.4 million), increased to CHF 10.1 million (H1/2020: CHF 8.4 million) with a higher EBITDA margin of 7.2% (H1/2020: 6.3%). EBIT improved to CHF 3.4 million (H1/2020: CHF 1.0 million).

Ascom closed the first half-year 2021 with a solid Group profit of CHF 2.5 million compared to a small Group loss in the previous year (H1/2020: CHF -0.3 million).

Further strengthening of balance sheet structure

Ascom was able to fully repay its outstanding borrowings as of 30 June 2021 (31.12.2020: CHF 19.0 million). At balance sheet date, cash and cash equivalents increased to CHF 33.0 million (31.12.2020: CHF 31.8 million). Due to the repayment of outstanding borrowings, net cash also came to CHF 33.0 million (31.12.2020: CHF 12.8 million and 30.06.2020: CHF 1.2 million). Shareholders' equity increased to 75.3 million (31.12.2020: CHF 71.1 million), and the equity ratio improved to 39.1% (31.12.2020: 35.0%).

Targets 2021 reiterated

Ascom is starting well positioned into the second half-year 2021 and reiterates its targets to close financial year 2021 with a low single digit revenue growth while striving to achieve a double-digit EBITDA margin (at constant currencies and given a stable economic development).

Mid-term guidance

Ascom has set a good basis to continue to execute its strategy and to benefit from the shift to digital communication mainly in the healthcare industry. The Company is well positioned to make a valuable

contribution to the implementation of optimized workflow in the healthcare and enterprise businesses. Further revenue growth will be driven by the strategic shift to more software and solutions and a better exploitation of the addressable markets.

Ascom sees a clear path to double-digit revenue growth over the next years and expects an annual improvement of the EBITDA margin of about 100 bp until 2025. This improvement will be driven by economies of scale, strong transformation towards solution driven sales and services business and ongoing cost control. Ascom's mid-term guidance for the next four years is based on the current market and economic environment, current visibility and on constant currencies.

KEY FIGURES HALF-YEAR 2021

In CHFm, except %		
	H1 2021	H1 2020
Incoming orders	166.2	154.8
Order backlog (at the end of the period)	246.3	194.3
Net revenue	140.1	133.4
Gross profit	67.4	63.7
EBIT	3.4	1.0
<i>EBIT margin in %</i>	2.4%	0.7%
EBITDA ²	10.1	8.4
<i>EBITDA margin in %</i>	7.2%	6.3%
Group profit / (loss)	2.5	(0.3)
Number of employees (FTE) at 30.06.	1,298	1,269

The complete 2021 Half-year Report of the Ascom Group and the Half-year Results Presentation 2021 are available in English and can be viewed online at <https://www.ascom.com/investors/reports-and-presentations/>

Audio Live Webcast to the half-year media conference is starting Thursday, 19 August 2021, at 10.00 CEST. Please join online via <https://swisscomstream.ch/ascom/audiowebrtc/>

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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