



Annual Media Conference 2021

ascom

11 March 2021



Welcome

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Jeannine Pilloud, CEO

Agenda

- **Business Review 2020**
Jeannine Pilloud, CEO
- **Financial Review 2020**
Dominik Maurer, CFO
- **Success Stories 2020**
Paul Lawrence, Managing Director Ascom UK
Jens Sand Andersen, Managing Director Ascom Nordics
- **Guidance & Outlook**
Jeannine Pilloud, CEO
- **Q&A**





Business Review 2020

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Jeannine Pilloud, CEO

Full-Year 2020 at a Glance

Solid results in line with the communicated targets – returning to profitable growth



Communicated targets achieved despite worldwide Covid-19 pandemic and economic crisis



3.6% net revenue growth (at constant currencies)



Significant improvement in profitability with EBITDA of CHF 24.9 million and **EBITDA margin of 8.9%**



Both **incoming orders** and **order backlog** showed strong developments



Successful implementation of **targeted cost reduction** and **leaner organizational structure**



Balance sheet improved with return to **positive net cash position** and improved **equity ratio of 35.0%**

Ascom at the front in the fight against Covid-19

Ascom Covid-19 projects around the world

- **USA & Canada:** Focused on rapid response systems for emergency hospital deployments. Working with local business partners to help equip temporary medical facilities in Chicago and New York, among others
- **Australia:** Equipped a Covid-19 isolation and recovery facility in the state of Victoria by delivering communication solutions to protect staff and clients
- **DACH region:** Several customers in the elderly care sector equipped with the fully disinfectable smartphone Myco 3. Residents could safely call their relatives
- **France & Spain:** Helping hospital Sant Joan de Déu, Barcelona, to increase ICU capacity by delivering software solution Digistat Connect, and Myco 3 smart devices
- **Italy:** Supporting several Italian hospitals in building up new ICU capacities; expanding existing facilities with the software solution Digistat



Results in line for most regions despite Covid-19 pandemic

Highlights



Double-digit revenue growth (at constant currencies) in **Nordics, UK** and **Rest of World**



Solid revenue growth (at constant currencies) in **USA & Canada** and **the Netherlands**



OEM business stabilized in the second half-year



Important flagship deals (e.g. Wales, Helse Norway) won against strong competition

Lowlights



Covid-19 pandemic hit in particular the **French market** hard – considerable impact on French business



DACH region impacted by weaker performance in Enterprise business



Some projects delayed, cancelled or postponed due to the Covid-19 pandemic



Component shortage in the entire industry due to the increased demand as a result of Covid-19 crisis

Healthcare sector with considerable revenue growth

Healthcare Enterprise OEM

- **Healthcare sector grew 9.1%** and is accounting for 67% of total net revenue in 2020
- **Enterprise sector was suffering** above-average from Covid-19 pandemic
- **OEM business stabilized** in the second half-year 2020

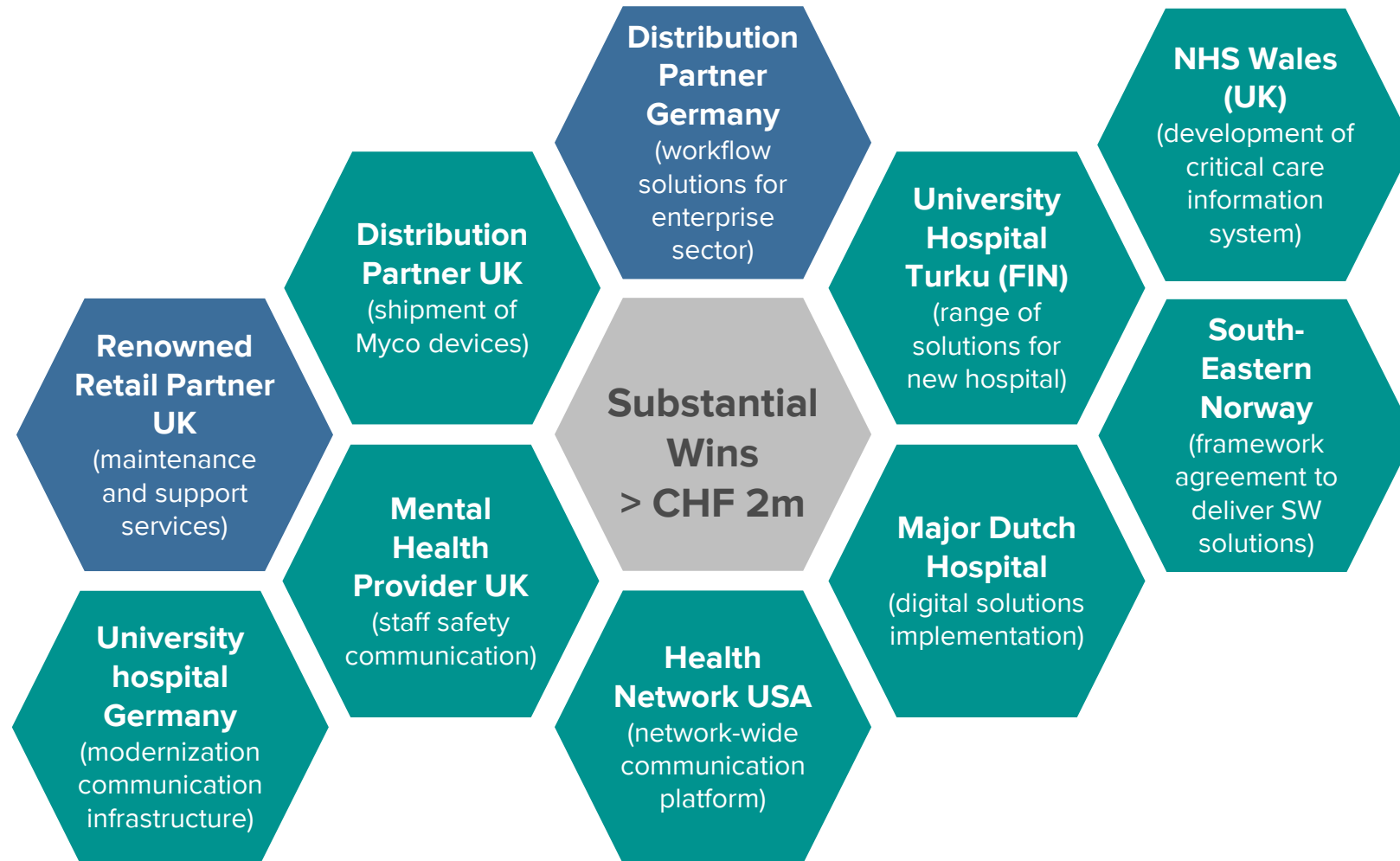
Solutions & Software

- Focusing on **complex software and solutions projects** is bearing fruits
- **Long-term contracts** will foster innovation and joint development of solutions
- **Service business** increased its share of revenue from 38% to 41%
- Slight increase of **recurring revenue** to 25%

Organization

- Swift implementation of **leaner organization** with more customer proximity
- **Targeted cost reduction** measures implemented
- Efficient and simplified **management structure**

Selection of Substantial Wins in 2020



New Focus on Sustainable Corporate Development

Reworked Sustainability Directive with clear objectives

- Signatory of UN Global Compact since 2010
- Strong ESG position confirmed by EcoVadis with Gold status in their sustainability reporting
- Donation to UNICEF in support of disadvantaged children
-  Ranked 21 out of 172 listed Swiss companies in corporate governance study 2020 of zRating
- “Klimabewusstes Unternehmen” according to Bilanz rating



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Ascom Sustainability Report 2020

Extract Environment Reporting

Year	Net revenue (CHFm)	CO ₂ e kg	CO ₂ e kg per CHF	% Change CO ₂ e kg
2016 ¹	300.8	70,583,102	0.23	-25.8%
2017	309.7	69,427,651	0.22	-4.0%
2018 ²	318.5	74,534,127	0.23	+7.4%
2019	282.9	67,712,161	0.24	-9.2%
2020	281.0	61,771,932	0.22	-8.8%

¹ Net revenue figures refer only to continuing business (former Division Wireless Solutions);

CO₂e is calculated according to a recognized standard (ISO 14064), but has not been externally verified.

² CO₂e emissions of 2018 were adjusted due to a thorough review conducted every five years.

Overview CO₂ by emission scope¹

Scope	2019 (In CO ₂ e In tons)	2020 (In CO ₂ e In tons)
1 – Direct emissions	57	75
2 – Indirect emissions	2,325	2,120
3 – All other indirect emissions	65,330	59,527
Total	67,712	61,722

¹ Scope definitions in line with the GHG Protocol Corporate Accounting and Reporting Standard for greenhouse gas emissions.



Financial Review 2020

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Dominik Maurer, CFO

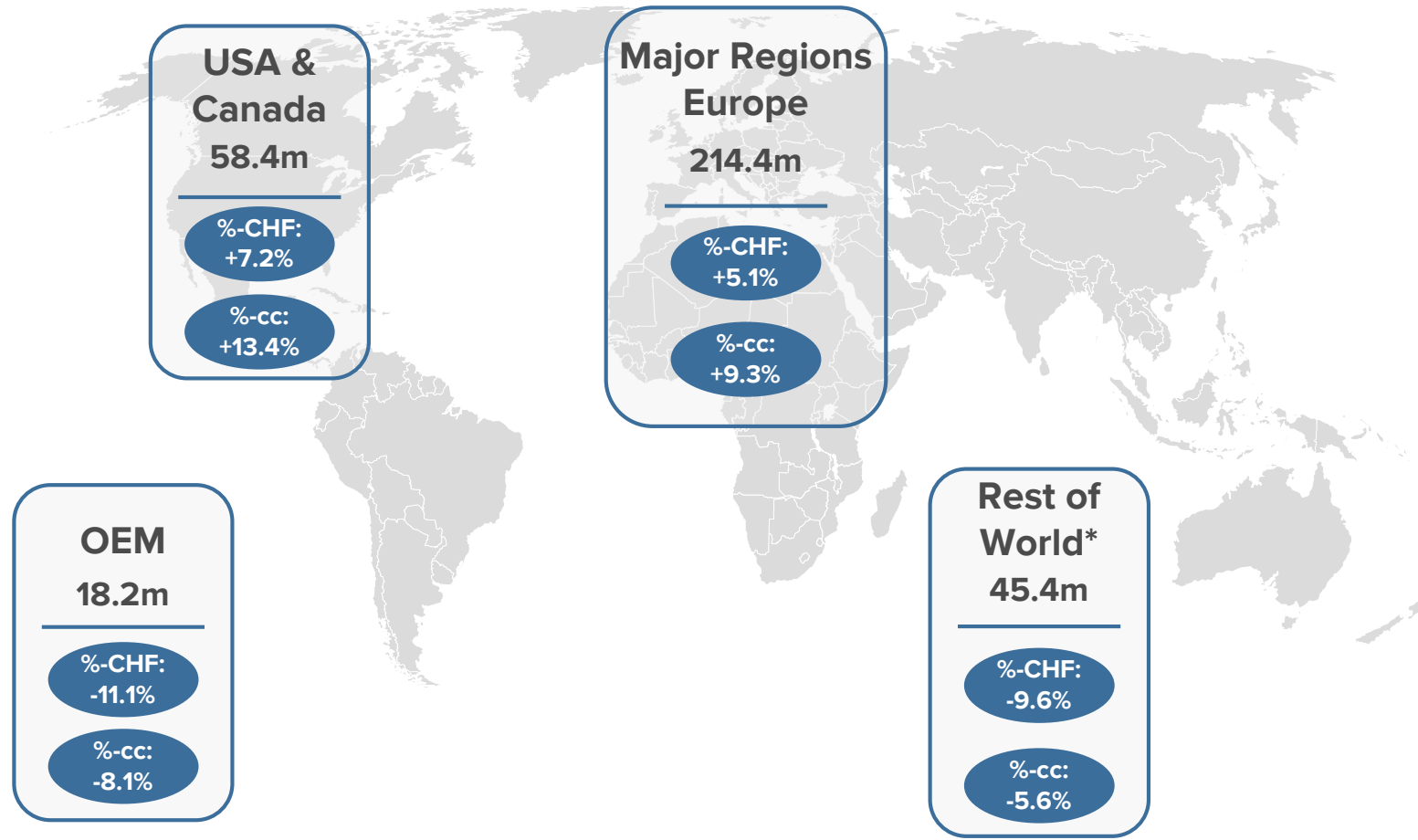
FY 2020 Results Summary

(at actual currencies)

	2020	2019	Variance to PY	
			cc	CHF
Net revenue	281.0 CHFm	282.9 CHFm	+3.6%	-0.7%
Incoming orders	322.4 CHFm	315.5 CHFm	+6.6%	+2.2%
Order backlog	215.6 CHFm	177.5 CHFm	+24.1%	+21.5%
EBITDA	24.9 CHFm (EBITDA margin of 8.9%)	0.8 CHFm (EBITDA margin of 0.3%)	+24.6 CHFm	+24.1 CHFm
Group profit	6.5 CHFm	0.5 CHFm*	+6.2 CHFm	+6.0 CHFm
FTE year-end	1,282	1,292	-0.8%	
FTE (incl. 3rd party)	1,401	1,493	-6.2%	

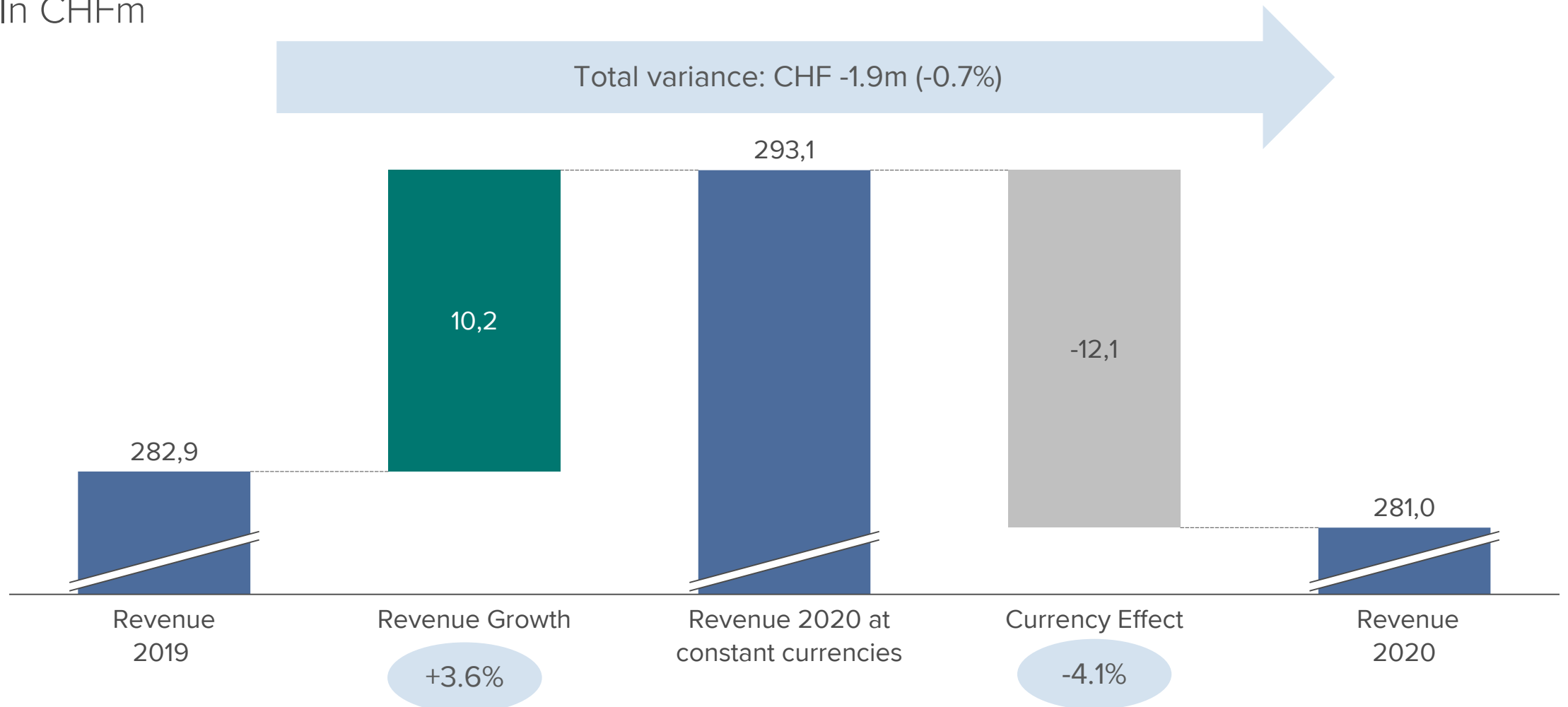
Incoming Orders Increased by 6.6% (at constant currencies)

In CHFm



Revenue growth of 3.6% (at constant currencies)

In CHFm



Revenue FY 2020 – Regional Development (I)

Deviations at actual currencies (%-CHF) and at constant currencies (%-cc)

Region	Revenue CHFm	Variance to PY		Comment
		%-cc	%-CHF	
DACH	46.6	-6.8%	-8.8%	<ul style="list-style-type: none"> Reduced revenue due to lower mobility sales in Enterprise sector heavily influenced by Covid-19
France & Spain	17.6	-14.6%	-17.4%	<ul style="list-style-type: none"> Strong Covid-19 effect in Long-Term Care Slowdown of partner business
Netherlands	52.8	+6.2%	+2.3%	<ul style="list-style-type: none"> Improvement in the delivery organization Recurring revenue increased
Nordics	40.8	+13.3%	+6.5%	<ul style="list-style-type: none"> Ramp-up in project business Strong performances of Myco products

Revenue FY 2020 – Regional Development (II)


Deviations at actual currencies (%-CHF) and at constant currencies (%-cc)

Region	Revenue CHFm	Variance to PY		Comment
		%-cc	%-CHF	
UK	14.5	+15.2%	+9.8%	<ul style="list-style-type: none"> Strong growth by key deals in Acute Care / Long-Term Care
USA & Canada	49.6	+5.0%	-0.8%	<ul style="list-style-type: none"> Strong performances in healthcare driven by mobility and services
RoW	41.4	+11.9%	+7.3%	<ul style="list-style-type: none"> Increase in software and mobility sales
OEM	17.7	-3.2%	-5.9%	<ul style="list-style-type: none"> Slowdown in H1 due to Covid-19 – stabilization in H2



Slight Increase of Recurring Revenue

Deviations at actual currencies (%-CHF) and at constant currencies (%-cc)

Revenue Type

		Revenue CHFm	Variance to PY		Comment
			%-cc	%-CHF	
	Recurring	 69.1	+4.6%	+0.3%	■ Growth driven by RoW and Nordics
	Non-recurring	211.9	+3.3%	-1.0%	■ Increase in project delivery drove the non-recurring revenue

Market Segment

		Revenue CHFm	Variance to PY		Comment
			%-cc	%-CHF	
	Healthcare	 189.4	+9.1%	+4.3%	■ Driven by USA & Canada, Nordics and Netherlands
	Enterprise (excl. OEM)	 73.9	-6.3%	-9.9%	■ Enterprise business impacted by Covid-19 pandemic ■ Decrease mainly in DACH region

FY 2020 P&L

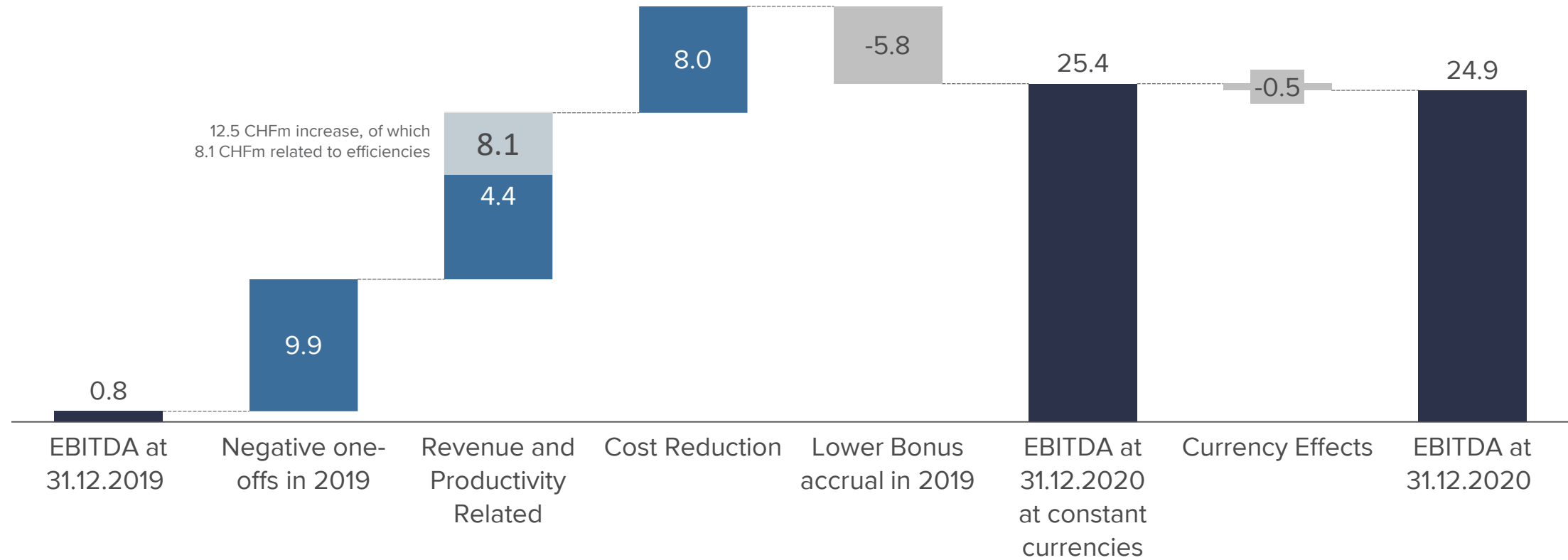
In CHFm	2020	%	2019	%	Variance %-cc	Variance %-CHF
Net Revenue	281.0	100.0%	282.9	100.0%	3.6%	(0.7%)
Cost of Sales	(147.7)	(52.6%)	(159.2)	(56.3%)	(3.0%)	(7.2%)
Gross Profit	133.3	47.4%	123.7	43.7%	12.0%	7.8%
Marketing and Sales	(67.0)	(23.8%)	(80.9)	(28.6%)	(13.7%)	(17.2%)
Research and Development	(32.2)	(11.5%)	(33.2)	(11.7%)	0.6%	(3.0%)
Administration	(21.9)	(7.8%)	(21.5)	(7.6%)	3.7%	1.9%
Other Operating Expenses/Income	(1.2)	(0.4%)	(1.5)	(0.5%)	40.0%	(20.0%)
EBIT	11.0	3.9%	(13.4)	(4.7%)		
EBITDA	24.9	8.9%	0.8	0.3%		
Group Profit	6.5	2.3%	0.5*	0.2%		

Comment

- **Cost of Sales** – decrease driven by a mix of improved profitability in the service organization and Covid-19 savings measures
- **Marketing and Sales** – Savings from Covid-19 measures and **restructuring** allowed to decrease M&S costs
- **Research and Development** – Positive effects from restructuring in H2
- **Administration** – Increase due to release of provisions in 2019 not repeated in 2020

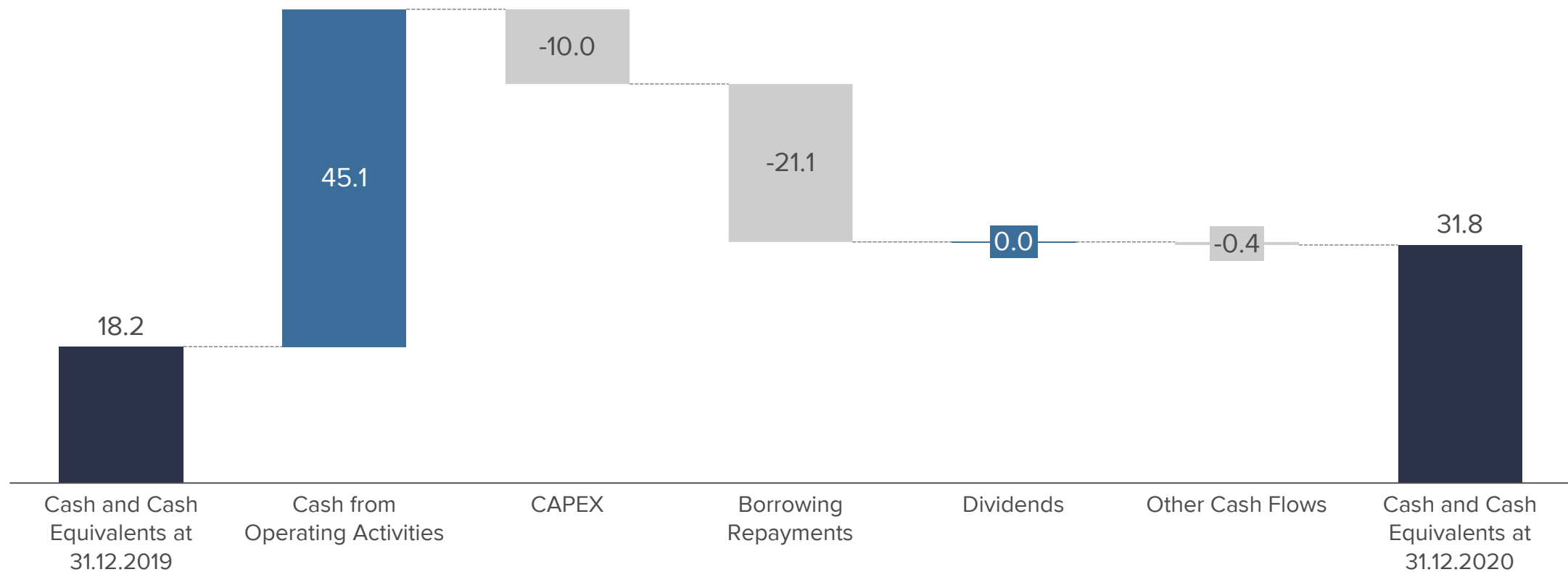
EBITDA Bridge

In CHFm



Cash Flow Development

In CHFm



Balance Sheet

In CHFm

	2020 31 Dec	2020 30 June	2019 31 Dec	2019 30 June
Cash & Cash Equivalents	31.8	29.2	18.2	14.2
Borrowings	19.0	28.0	40.0	25.0
Net Cash / (Net Debt)	12.8	1.2	(21.8)	(10.8)
Net Working Capital	49.0	44.2	68.2	61.3
Total Assets	203.1	200.6	214.2	198.6
Total Equity	71.1	61.2	63.2	70.0
Equity Ratio	35.0%	30.5%	29.5%	35.2%

Comment

- Improved Cash position thanks to better Net Working Capital management
- Repayment of Borrowings, together with improvement in Cash position, led to positive Net Cash
- Equity Ratio increased to 35.0%



Success Stories 2020

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Paul Lawrence, MD Ascom UK

Jens Sand Andersen, MD Ascom Nordics

Digitally Enabled Care Pathways

- Managing a National Critical Care Information System for NHS Wales

Paul Lawrence

Managing Director, Ascom UK

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The Brief

*‘following a public procurement by **NHS Wales Informatics Service (NWIS)**, Ascom’s **Digistat clinical information system (CIS)** was chosen to enable intensive care staff across Wales’ 14 standard adult critical care units **to manage electronically all aspects of care**’*

- 7+3 year single largest contract in Ascom’s history (contract value CHF 16.5m)
- Deliver a National Critical Care Information System (CCCIS)
- 7 health boards, 14 hospitals, 190 adult critical care beds
- Single digital patient management platform for trauma
- Automatic population of data from bedside medical devices
- Single critical care record, rich data clinical analytics



Competition



iMDsoft®

Why Ascom



18 month pre-contract consultation, case study reviews and reference visits

‘Ascom stood out from the start, you really listened to what we needed and answered our questions’ – NHS procurement

- Covid-19 impact to client access
- NHS agile decision making
- Local presence, delivering international expertise
- Local investment & employment
- Ascom UK satellite office – Cardiff Wales



The brand new £350m Grange University Hospital in Llanfrechfa, Cwmbran, 471-bed facility where Ascoms Digistat solution will go live in Q3 2021

Execution

*‘**deliver a single instance** of a patient care record in an automated and uniform way to 14 ICU environments, ensuring **improved staff working** practices, enabling **better patient experience** and providing **rich data analytics** for clinical research’*

Programme team established

- Joint operational board, Ascom & NHS Wales

Milestones

- **Hardware** First hospital solution delivery, August 2021. Hardware refresh after 6 years
- **Installation** invoiced per 14 hospitals August 2021 thru August 2023
- **Service** invoiced quarterly in advance from go-live per seven years per hospital



Today



Tomorrow

Software and Professional Service Framework Contract in Norway

- 6 years agreement covering all Hospital Trusts in South-East Norway

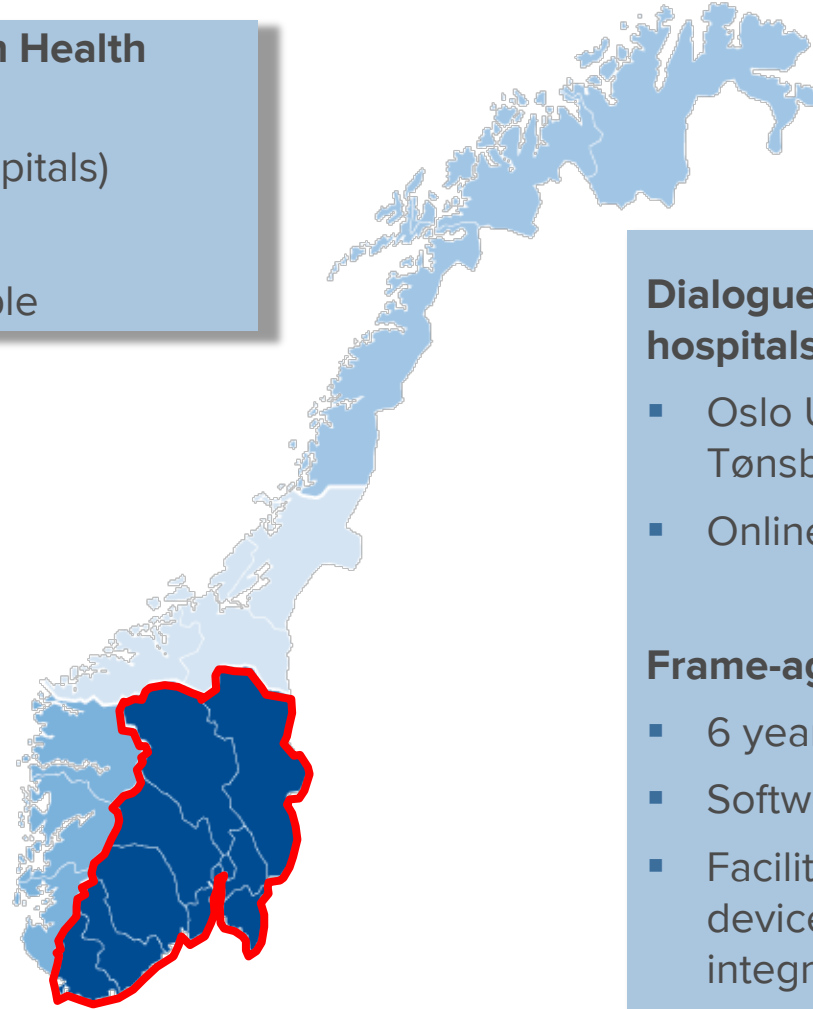
Jens Sand Andersen

Managing Director, Ascom Nordics

Substantial Frame Agreement Won in Norway

South-East Norway Region Health Authority

- 11 hospital trusts (33 hospitals)
- 80'000 employees
- Serving 2.9 million people



Dialogue Based Public Procurement driven by many new hospitals in the Region

- Oslo University Hospital (Radium, Aker, Rikshospitalet,), Tønsberg, Sørlandet, Telemark, Innlandet etc.
- Online only meetings January – November 2020

Frame-agreement delivering Ascom Healthcare Platform

- 6 years agreement covering all hospital trusts
- Software and professional service only
- Facilitate workflows connecting point of care (bedside), devices, systems and care teams incl. various integration with existing hospital information systems

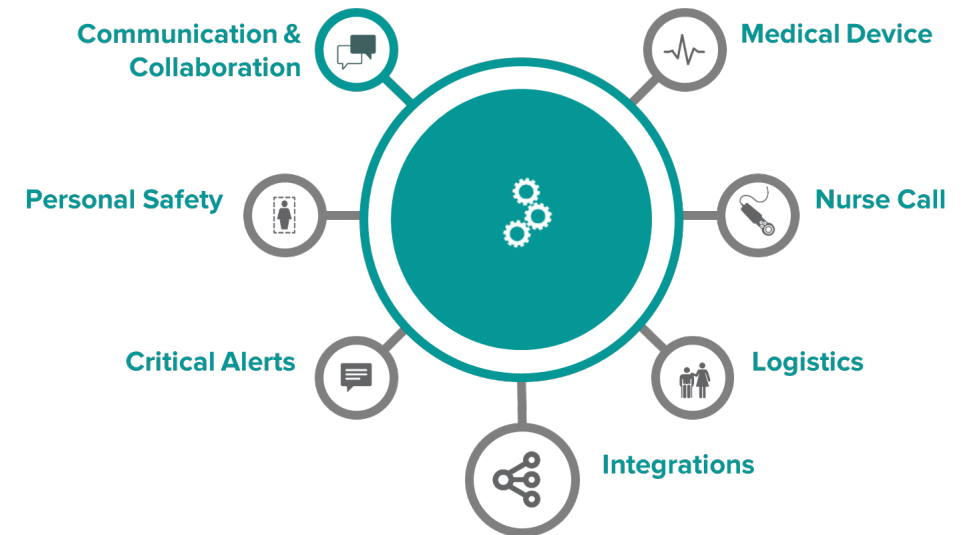
Why Ascom?

Team effort across Nordics, Global R&D and Global Services

- Evaluation criteria: quality 60% and price 40%

Key Success Factors (Ascom rated with 9.77 points out of 10):

- Our healthcare platform for real-time communication & collaboration
- Customer understanding based on strong local presence and history
- Implementation model incl. our clinical user engagement model



Execution

Our execution plan

- Common customer (HSØ) – Ascom steering group
- Pilot-project estimated to start April 2021 with the purpose of industrializing roll-out across the region: “do one – copy many”
- Local delivery model incl. global support R&D
- Staff-up our strong local team in Norway
- Apply learning from similar projects in Stockholm, Copenhagen and globally





Guidance & Outlook

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Jeannine Pilloud, CEO

Outlook 2021

- 2021 will be another difficult year with a lot of uncertainties due to the Covid-19 pandemic, including a possible shortage of components
- Ascom concentrates on further developing its product and service portfolio to exploit the market potential
- The optimization and further improvement of the margin and cost structure will continue to be an important focus



Guidance 2021

- **Ascom targets for 2021 a low single digit revenue growth and strives to achieve a double-digit EBITDA margin*.**

*at constant currencies and given a stable economic development





Q&A

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Next Event – Ascom Half-Year
Results 19 August 2021

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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.