



Ascom with strong revenue growth during the first half-year 2022

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- **First half-year: strong increase in revenue and incoming orders**
 - **Net revenue** grew by 7.1% at constant currencies¹ to CHF 143.8 million despite global component shortages
 - **Incoming orders** of CHF 179.5 million, substantial increase by 12.9% at constant currencies
 - **Order backlog** as of 30 June 2022 at CHF 279.6 million (31 December 2021: CHF 256.1 million)
 - **EBITDA**² at CHF 1.7 million; EBITDA normalized (adjusted for one-off charges related to Swedish pension fund and CEO change)³ at CHF 6.9 million (H1/2021: CHF 10.1 million)
 - **Net result** of CHF -2.3 million, excluding one-off charges³: net profit of CHF 2.4 million on a normalized basis (H1/2021: CHF 2.5 million)
 - **Balance sheet solid structured** with zero outstanding borrowings, net cash position of CHF 14.1 million, and an equity ratio of 36.6%

- **Targets 2022 increased**
 - Given the positive revenue development in H1/2022, Ascom has increased the expectation for financial-year 2022 from mid-single digit revenue growth **to mid- to high-single digit revenue growth**⁴
 - Ascom still aims to achieve an improvement of the normalized³ EBITDA margin of about 100 basis points⁴ compared to 2021

- **Mid-term guidance confirmed**
 - 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 2025⁴ compared to fiscal year 2021

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 2022 Half-year Report on page 5.

³ Excluding one-off charges in a total amount of CHF 5.2 million related to required revaluation of the Swedish pension plan and the CEO change

⁴ At constant currencies and given a stable economic development

Strong increase in revenue and incoming orders

Ascom generated for the first half of 2022 net revenue of CHF 143.8 million, representing a strong increase of 7.1% at constant currencies (H1/2021: CHF 140.1 million). Strong foreign exchange headwinds resulted in significant negative currency effects of 4.5 percentage points between revenue growth at actual vs constant currencies.

Within Europe, the strongest performance has been achieved in the Nordic countries and in the DACH region. The region Rest of World and the OEM business showed solid growth rates as well while USA & Canada were able to further increase the recurring software revenue.

Revenue split by market segment showed the Healthcare sector accounting for 67% of revenue, the Enterprise sector slightly increasing to 26% and the OEM business contributing 7% of total revenue for the first half-year 2022.

In the first half of 2022, Ascom achieved a total volume of new orders of CHF 179.5 million, representing a substantial increase of 12.9% at constant currencies (H1/2021: CHF 166.2 million). The order backlog has again increased significantly and amounted to CHF 279.6 million (31.12.2021: CHF 256.1 million). 60% of the order backlog will be converted to revenue in the fiscal year 2023 and beyond.

Profitability affected by one-off charges

Revenue in the first half of 2022 was significantly higher than in the previous year. However, profitability was burdened by a substantial price increase for components on spot markets, in energy, raw material and logistics costs due to the war in Ukraine and the renewed lockdown in China, inflationary developments as well as on-going bottlenecks in the supply chains. Therefore, Ascom increased its prices, and the effect of this measure will be seen in the second half-year 2022 and in 2023. Overall, gross profit reached CHF 61.4 million with a gross margin of 42.7% (H1/2021: 48.1%). Adjusted for Swedish pension fund adjustments and the extraordinary spot market purchases, the gross profit margin would be at 47.5%.

EBITDA in the first half of 2022 amounted to CHF 1.7 million and was affected by one-off charges of CHF 5.2 million, including required revaluation of the Swedish pension plan taking into account an assumed decrease of the discount rate of future disbursements and higher life expectancy, which resulted in non-cash relevant one-off charges of CHF 4.5 million. In addition, there were one-off charges of CHF 0.7 million due to the CEO change. Adjusted for those one-off charges, EBITDA came to CHF 6.9 million with an EBITDA margin of 4.8% (5.0% at constant currencies) on a normalized basis (H1/2021: 7.2%). EBIT in H1/2022 amounted to CHF -3.5 million (adjusted for the mentioned one-off charges: CHF 1.7 million).

Ascom reported for the first half of 2022 a net result of CHF -2.3 million. Adjusted for one-off charges (Swedish pension fund, CEO severance cost), net profit came to CHF 2.4 million on a normalized basis (H1/2021: CHF 2.5 million).

Solid balance sheet structure

At balance sheet date, Ascom has no borrowings outstanding, and the net cash position (cash and cash equivalents less borrowings) was at

CHF 14.1 million (31.12.2021: CHF 29.5 million). The equity ratio stood at a very solid level of 36.6% (31.12.2021: 41.1%).

Implementation of strategic initiatives on track

In 2022 and the years ahead, Ascom is focusing on improving financial performance as well as streamlining and standardizing its offering tailored to markets and customers. Furthermore, the Company is expanding a dedicated partner program and also focuses on improving its innovation speed.

Targets 2022 slightly increased

Given the positive revenue development during the first half of 2022, Ascom is convinced to convert a major part of the high order backlog into revenue during the second half of 2022, even in a still challenging market environment. Therefore, Ascom has increased the expectation for 2022 from mid-single digit revenue growth to mid- to high-single digit revenue growth (at constant currencies and given a stable economic development). Ascom still aims to achieve an improvement of the normalized EBITDA margin of about 100 basis points compared to 2021.

Mid-term guidance confirmed

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 2025 compared to fiscal year 2021 (at constant currencies and given a stable economic development).

Ascom is well positioned for future growth and expects above-average growth of the Healthcare communication market driven by digitalization, post-Covid developments and governmental funding programs. Ascom will also exploit the growth opportunities in the US market due to new GPO frame agreements, more software sales and more recurring revenue, and expects to benefit from new opportunities in the OEM business due to the development towards a solution driven business.

KEY FIGURES HALF-YEAR 2022

In CHFm, except %		
	H1 2022	H1 2021
Incoming orders	179.5	166.2
Order backlog (at the end of the period)	279.6	246.3
Net revenue	143.8	140.1
Gross profit	61.4	67.4
EBIT	(3.5)	3.4
<i>EBIT margin in %</i>	(2.4)%	2.4%
EBITDA¹	1.7	10.1
<i>EBITDA margin in %</i>	1.2%	7.2%
Group (loss) / profit	(2.3)	2.5
NORMALIZED FIGURES²		
EBITDA normalized	6.9	10.1
<i>EBITDA margin normalized in %</i>	4.8%	7.2%
Group profit normalized	2.4	2.5
Number of employees (FTE) at 30.06.	1,326	1,298

¹EBITDA, earnings before interest, income tax, depreciation, and amortization, see also definition in the 2022 Half-year Report on page 5.

²Excluding one-off charges in a total amount of CHF 5.2 million related to required revaluation of the Swedish pension plan and the CEO change

The online 2022 Half-Year Results Conference starts at 10.00 a.m. CEST on Thursday, 11 August 2022.

This is a non-interactive live audio webcast showing the presentation slides. However, the webcast does not allow posing questions. The Q&A session will be broadcasted. Please join online via <https://swisscomstream.ch/ascom/audiowebcast/>

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