



# Annual Media Conference 2022

**ascom**

8 March 2022



# Welcome

**ascom**

Daniel Lack, SVP Legal, Communication & IR



# Agenda

- **Business and Financial Review 2021**  
Dominik Maurer, CFO
- **Ascom and Our Market Environment**  
Dr. Valentin Chapero Rueda, Chairman
- **Introduction and Strategic Direction**  
Nicolas Vanden Abeele, CEO
- **Guidance**  
Nicolas Vanden Abeele, CEO
- **Q&A**





# Business and Financial Review 2021

**ascom**

Dominik Maurer, CFO

# Full-Year 2021 at a Glance

Solid Results in Line with Communicated Targets – Further Delivering on Profitable Growth



**2021 results in line with the communicated guidance** despite worldwide Covid-19 pandemic and global supply chain crisis



**Net revenue growth of 3.7%** at actual currencies (2.7% at constant currencies) **constrained by component headwinds**



**20% growth** in Software revenue and **4.7% increase** in recurring revenue (at constant currencies)



Positive development in **incoming orders** and strong increase of **order backlog**



**Significant improvement in profitability** with EBITDA **margin of 9.8%** and **higher group profit** (13.5 CHFm)



**Higher net cash position** and improved **equity ratio of 41.1%** resulting in debt-free position for Ascom

# Highlights and Challenges 2021

Markets Performed Well Despite Ongoing Pandemic

## Highlights



**Double-digit revenue growth** (at constant currencies) in **France & Spain, UK** and **OEM business**



**Solid revenue growth** (at constant currencies) in **Nordics** and **the Netherlands**



**Increase in incoming orders, driven by a significant win in OEM business** resulting in a strong increase of backlog



**Significant healthcare wins in various regions** leading to increased backlog in healthcare

## Challenges



**Increased severity of the component shortage** across the industry **impacting H2**



**Strong competition for talent in some markets** due to the Covid-19 pandemic

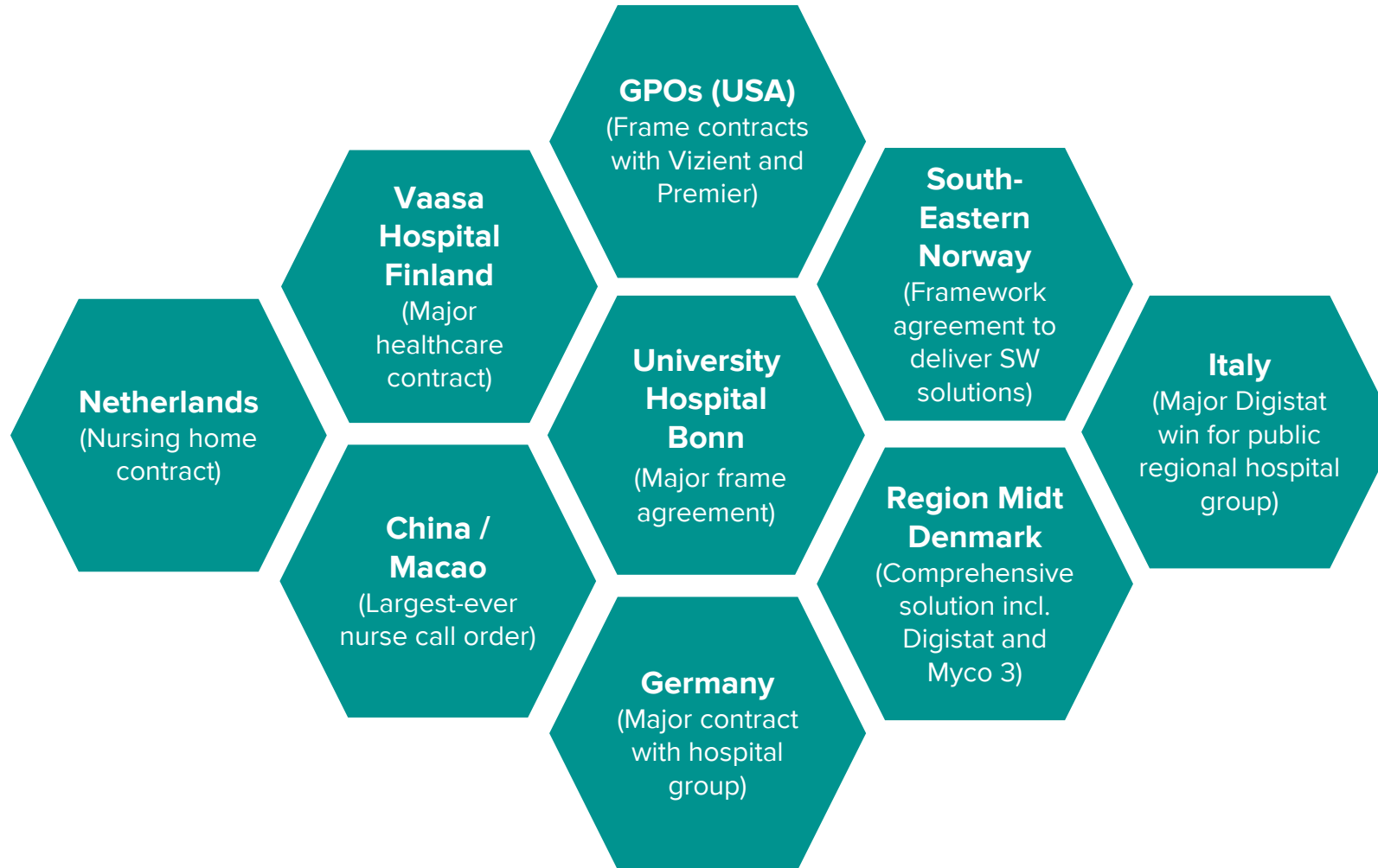


**Moderate revenue growth in USA & Canada** impacted by the component shortage



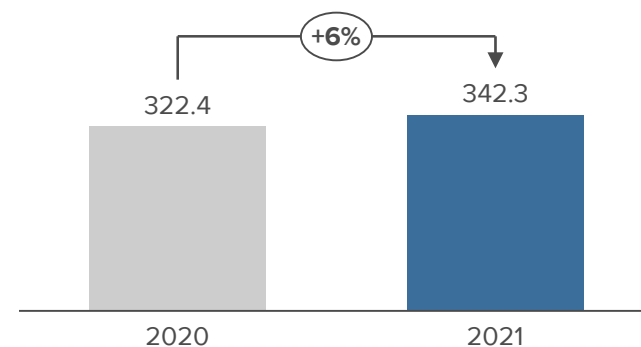
**DACH region severely impacted by the component shortage** and continued Covid-19 related challenges across the **Enterprise sector**

# Selection of Substantial Healthcare Wins in 2021

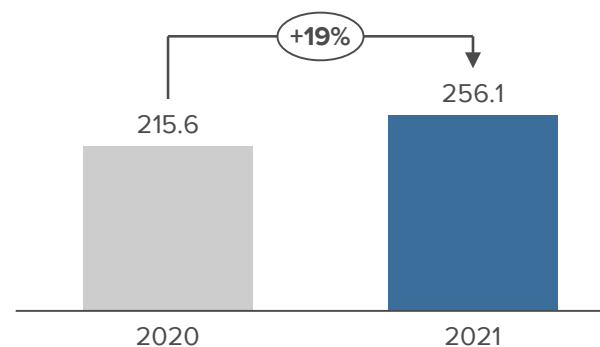


# FY 2021 Results Summary

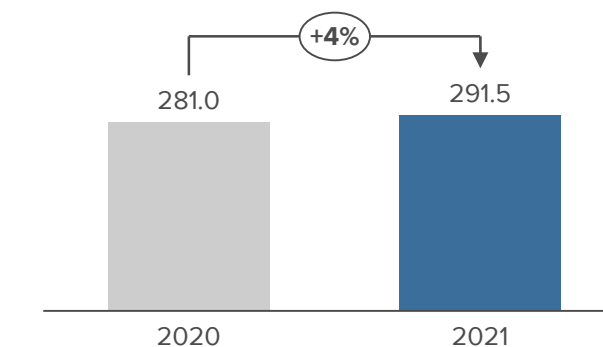
## Incoming Orders



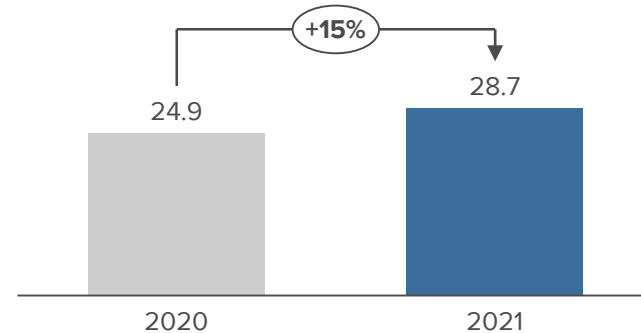
## Order Backlog <sup>(1)</sup>



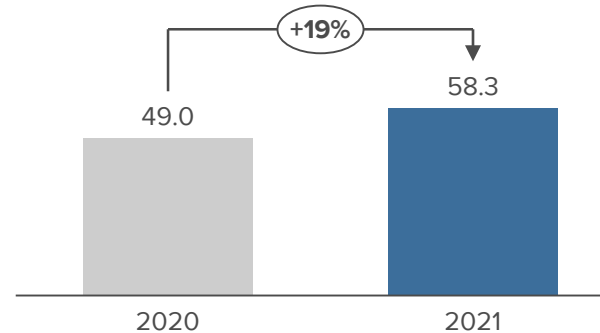
## Net Revenue



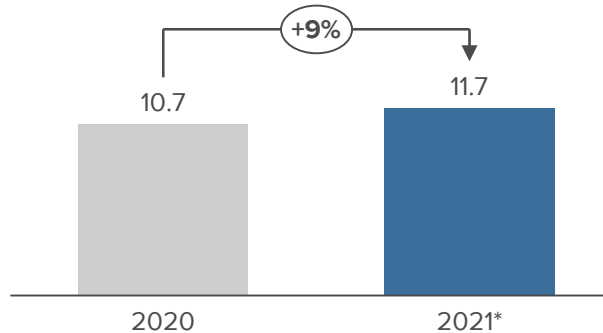
## EBITDA



## Net Working Capital <sup>(1) (2)</sup>



## Capital Expenditure <sup>(3)</sup>



(1) At 31 December

(2) Net working capital is calculated by subtracting the sum of trade payables and liabilities from work in progress and other current liabilities (including other current liabilities, current provisions, deferred income and accrued expenses) from the sum of trade receivables, inventories, work in progress and other current assets (including other current receivables, compensation claims from work in progress and accrued income and deferred expenses).

(3) Capital expenditure is calculated as the sum of investments in tangible and intangible assets and excludes proceeds from disposals

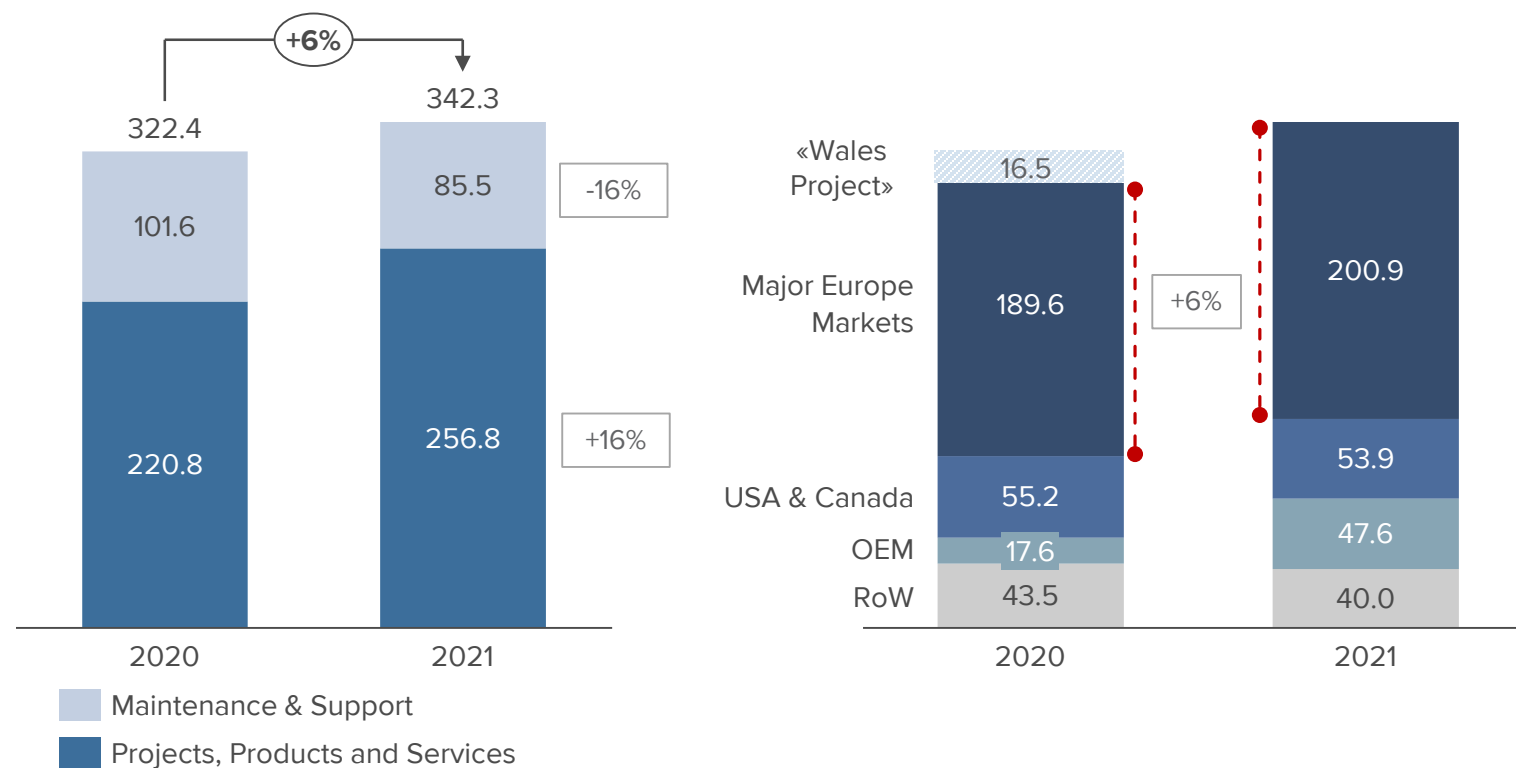
**ascom** Note: All values CHFm.

\*Excludes 16.0m CHF from the proceeds of vendor loan repayment



# Strong Development in Incoming Orders 2021

Strong Development of Products & Project Orders, Multi-year Service Contracts to be Renewed in Later Years

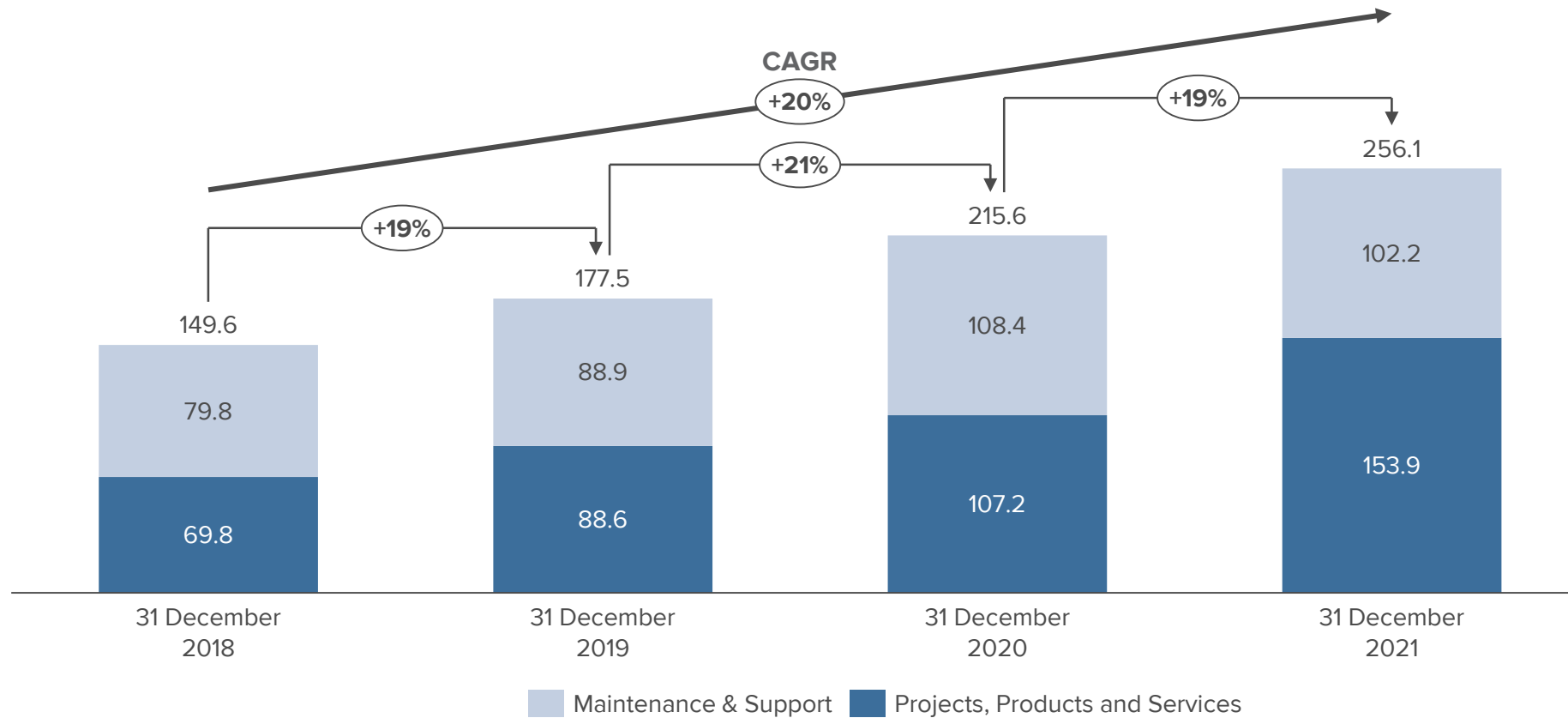


## Comment

- Continued strong development despite Covid-19 and shortage constraints
- Normalized growth of 6.0% in major Europe markets excluding the “Wales project”
- Frame contracts/GPO’s not included in numbers

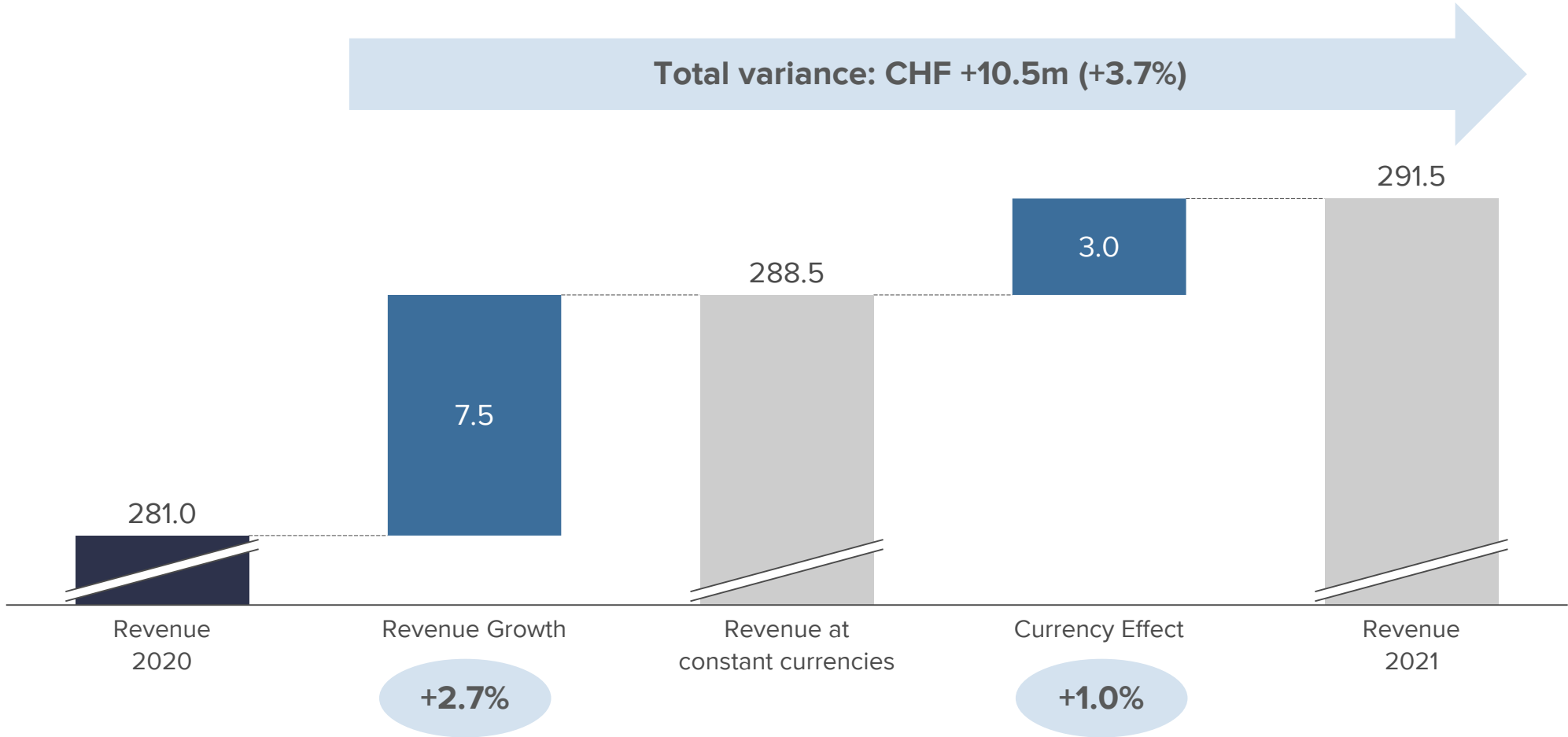
# Strong Order Backlog Growth by 19%

Half Converting to Revenue Beyond 2022



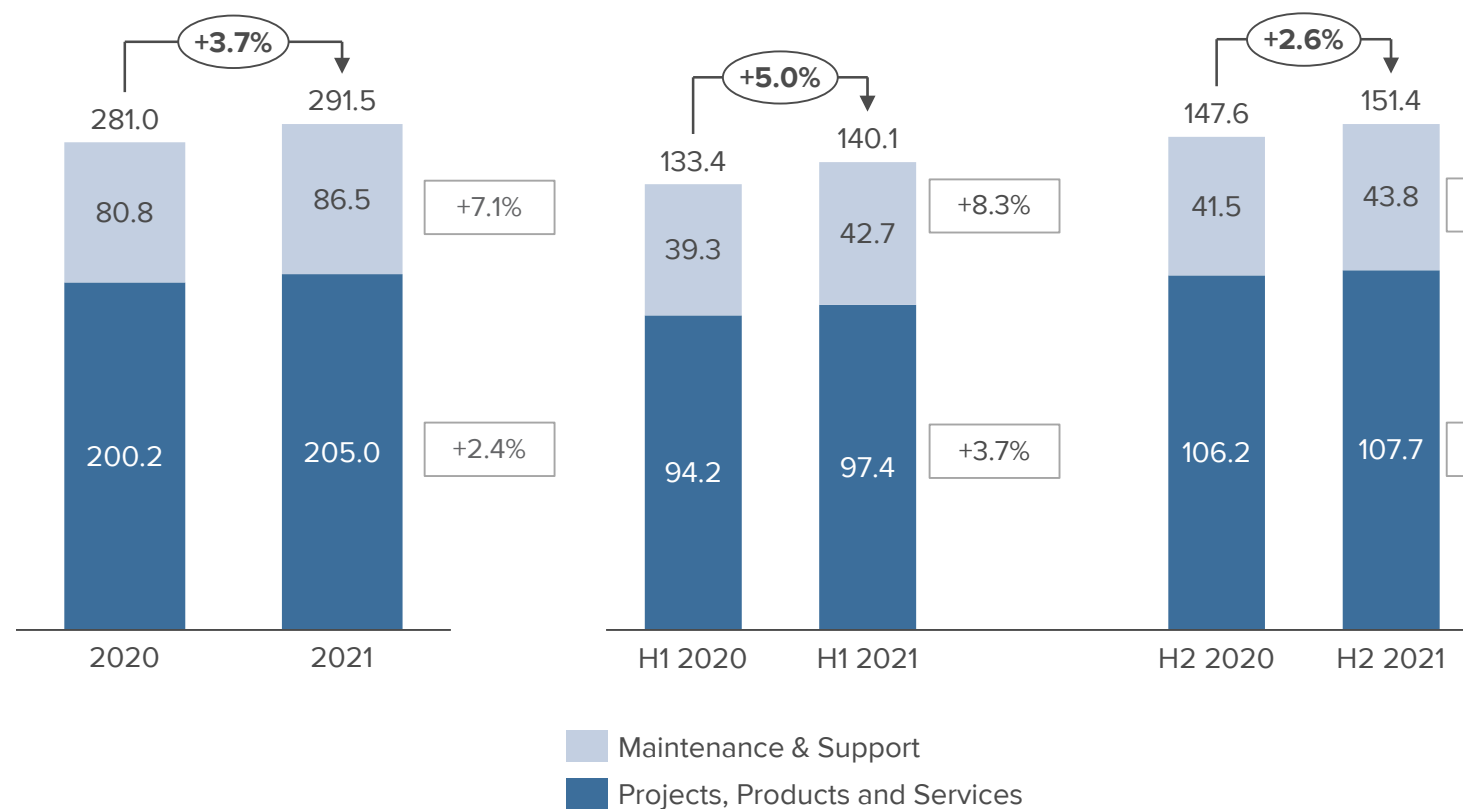
# Revenue Growth of 2.7% (At Constant Currencies)

Positive Currency Effect of 1.0% Resulting in 3.7% Growth at Actual Currency



# Net Revenue Development

Lower Growth in H2 Due to Component Shortage - Maintenance & Support Growth Remained Stable



## Comment

- Net revenue growth driven by maintenance & support
- Component shortage influenced the project and product business
- H2 was more affected by component shortage
- Software business was growing 20%



# Revenue FY 2021 – Regional Development (I)

## Overview of Performance by Region

Region	Revenue CHFm	Variance to PY		Comment
		%-cc	%-CHF	
UK	17.5	+16.6%	+20.7%	<ul style="list-style-type: none"> <li>Strong growth by key deals in Acute Care / Long-Term Care driven by Patient Systems and Mobility</li> </ul>
France & Spain	19.6	+10.8%	+11.4%	<ul style="list-style-type: none"> <li>Strong bounce-back in Healthcare segment across both Acute and Long-Term Care</li> </ul>
OEM	21.8	+18.6%	+23.2%	<ul style="list-style-type: none"> <li>Strong bounce back on OEM business</li> </ul>
Nordics	44.5	+5.1%	+9.1%	<ul style="list-style-type: none"> <li>Solid recurring revenue base</li> <li>Strong performance of Myco products</li> </ul>





# Revenue FY 2021 – Regional Development (II)

## Overview of Performance by Region

Region	Revenue CHFm	Variance to PY		Comment
		%-cc	%-CHF	
Netherlands	55.3	+4.0%	+4.7%	<ul style="list-style-type: none"> <li>Growth in recurring revenue underpins overall growth</li> </ul>
USA & Canada	49.7	+3.0%	+0.2%	<ul style="list-style-type: none"> <li>Strong performance in Software was not able to compensate decrease in Mobility due to component shortage</li> </ul>
RoW	40.9	-3.1%	-1.2%	<ul style="list-style-type: none"> <li>Severe lockdown restrictions in Australia impacting ability to deliver projects</li> </ul>
DACH	42.2	-9.7%	-9.4%	<ul style="list-style-type: none"> <li>Covid-19 restrictions and component shortage negatively impacting Mobility sales in the Enterprise segment</li> </ul>

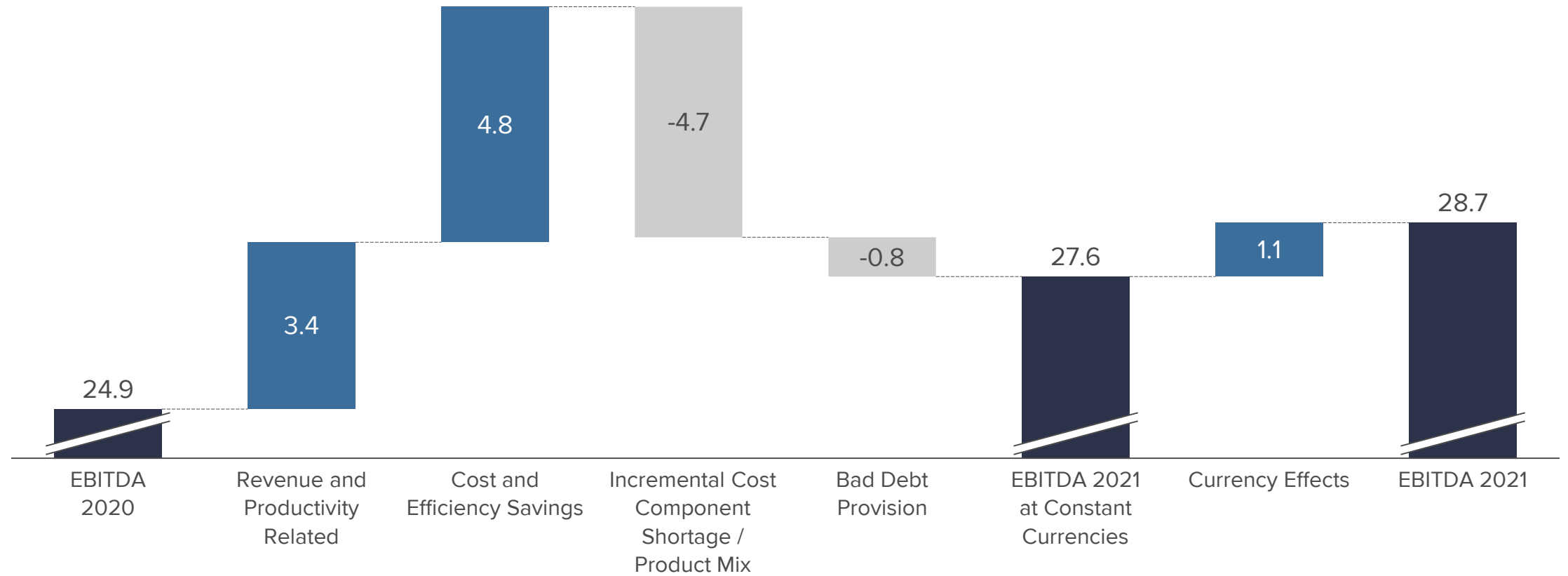
# Continued Increase of Healthcare Segment

Recurring Revenue Grew Faster Than Total Revenue

		Revenue CHFm	Variance to PY		Comment
			%-cc	%-CHF	
Market Segment	 <b>Healthcare</b>	198.3	+4.1%	+4.7%	▪ Solid recovery from France in Long-Term Care - Nordics and Netherlands driving Acute Care growth
	 <b>Enterprise (excl. OEM)</b>	71.4	-4.9%	-3.4%	▪ Continued Covid-19 restrictions continue to prevent onsite project work to close projects
Revenue Type	 <b>Recurring</b>	72.9	+4.7%	+5.5%	▪ Continued growth in recurring revenue led by USA & Canada and Netherlands - Software recurring revenue growing at 11%
	 <b>Non-recurring</b>	218.6	+2.0%	3.1%	▪ Strong growth in Mobility and Patient Systems sales driven by OEM and UK

# EBITDA Bridge

Strong EBITDA Development Resulting in EBITDA Margin of 9.8%





# FY 2021 P&L

## Significant EBITDA Accretion - Group Profit More Than Doubled

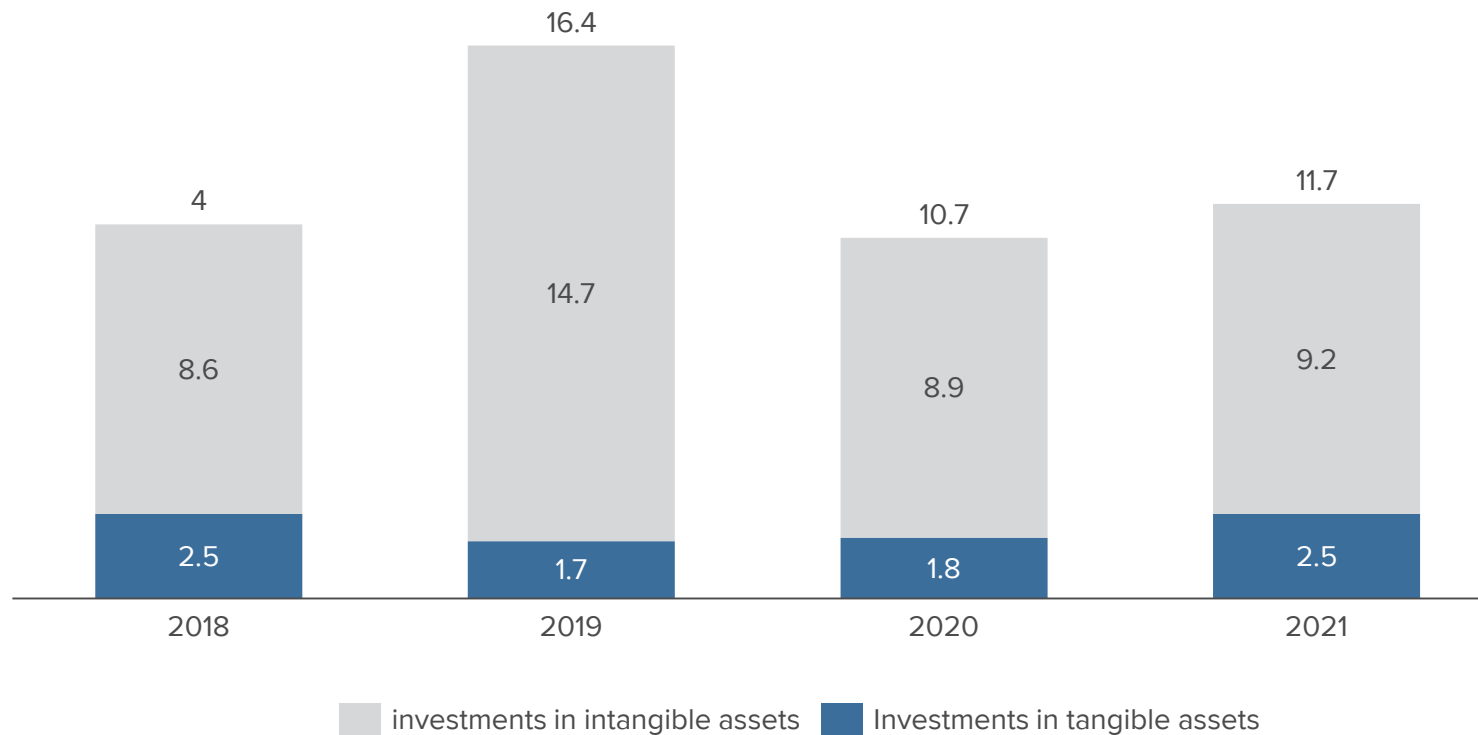
	2021	%	2020	%	Variance %-cc	Variance %-CHF
Net Revenue	291.5	100.0%	281.0	100.0%	2.7%	3.7%
Cost of Sales	(154.8)	(53.1%)	(147.7)	(52.6%)	4.3%	4.8%
<b>Gross Profit</b>	<b>136.7</b>	<b>46.9%</b>	<b>133.3</b>	<b>47.4%</b>	<b>0.8%</b>	<b>2.6%</b>
Marketing & Sales	(70.9)	(24.3%)	(67.0)	(23.8%)	4.9%	5.8%
Research & Development	(29.2)	(10.0%)	(32.2)	(11.5%)	(11.2%)	(9.3%)
Administration	(19.7)	(6.8%)	(21.9)	(7.8%)	(11.0%)	(10.0%)
Other Operating Expenses/Income	(1.1)	(0.4%)	(1.2)	(0.4%)	(16.7%)	(8.3%)
<b>EBIT</b>	<b>15.8</b>	<b>5.4%</b>	<b>11.0</b>	<b>3.9%</b>		
<b>EBITDA</b>	<b>28.7</b>	<b>9.8%</b>	<b>24.9</b>	<b>8.9%</b>		
<b>Group Profit</b>	<b>13.5</b>	<b>4.6%</b>	<b>6.5</b>	<b>2.3%</b>		

### Comment

- Cost of Sales – Increase from a combination of supply chain constraints and product mix
- Investment in new sales capabilities for future growth
- Improved efficiency in R&D processes
- Further optimization of G&A functions

# CAPEX

## Stable CAPEX Profile

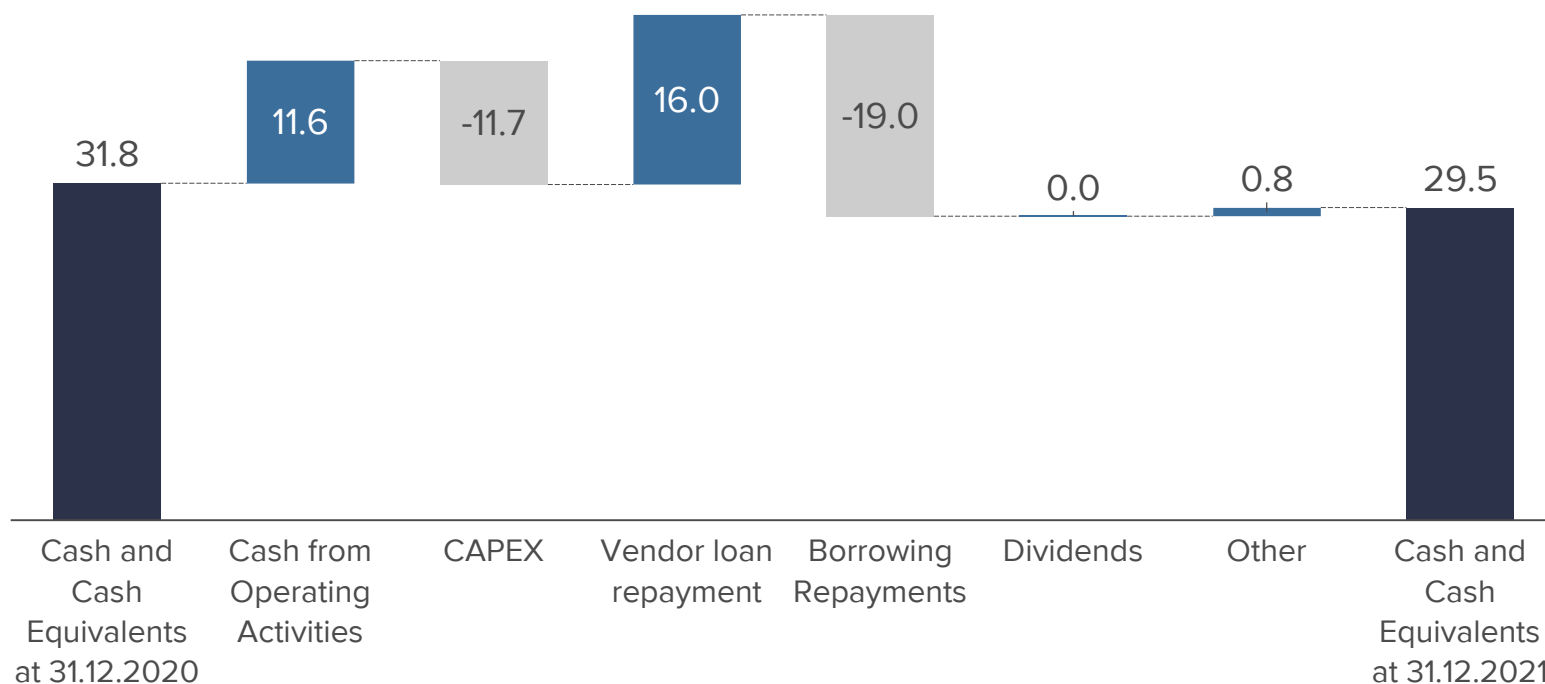


### Comment

- Intangible assets remain stable
- Tangible assets slightly higher

# Cash Flow Development

Strong Cash Flow Despite COVID-19 and Component Shortage



## Comment

- Operating Cash flow lower than 2020, with Net Working Capital normalizing in line with the business
- Vendor loan repayment used to repay borrowings

# Balance Sheet

## Further Improvement in Net Cash Position and Higher Equity Ratio

	2021 31-Dec	2021 30-Jun	2020 31-Dec	2020 30-Jun
Cash & Cash Equivalents	<b>29.5</b>	33.0	31.8	29.2
Borrowings	-	-	19.0	28.0
Net Cash / (Net Debt)	<b>29.5</b>	33.0	12.8	1.2
Net Working Capital	<b>58.3</b>	45.2	49.0	44.2
Total Assets	<b>194.7</b>	192.6	203.1	200.6
Total Equity	<b>80.0</b>	75.3	71.1	61.2
Equity Ratio	<b>41.1%</b>	39.1%	35.0%	30.5%

### Comment

- Cash position strongly increased
- Strong Net Cash and no outstanding borrowings
- Equity Ratio increased to **41.1%**





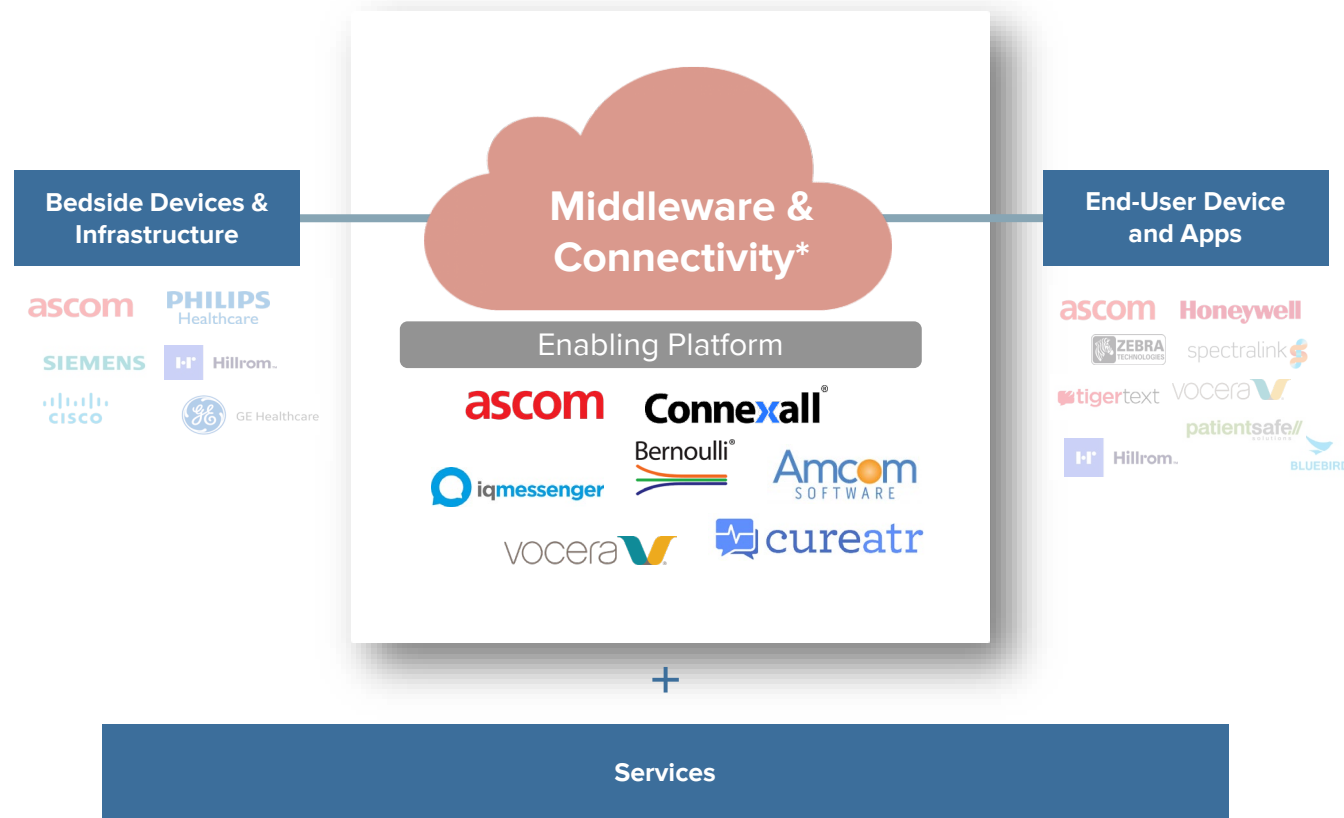
# Ascom and Our Market Environment

**ascom**

Dr. Valentin Chapero Rueda, Chairman

# Market Profile (I)

The Middleware & Connectivity Market is a Key Component of Real-Time Communication & Collaboration (RTCC)



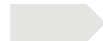
- **Highly fragmented** with mostly **local** suppliers
- Many players with history in **specific devices** developing towards more comprehensive offering
- Only a few with greenfield approach based on **software-only product** but without an integrated product portfolio

# Market Profile (II)

## Market dynamics

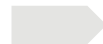
- **Relevance of RTCC** solutions and the need for an “**industrialized**” **delivery of care is growing**
- Large device manufacturers want to become a more relevant partner by extending offerings into care delivery workflows and communications - Main strategic acquisitions:

2019



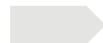
voalte

2021



capsule

2022



vocera

## Ascom has clear competitive advantages

- **Device agnostic** vendor → no conflict of interest
- **Clear focus on RTCC** with proven track record
- **Most comprehensive** Software, Hardware and Services **portfolio**
- Global **professional services** organization
- Additional **partnership opportunities with device manufacturers** who want to enhance their solutions but without losing focus on their core business

# Way Forward

## Innovate Communication & Collaboration Solutions While Expanding Into the Continuum of Care

### Ascom today

#### Our Experience

Longstanding history in communication devices and systems. 20 year track record in developing clinical solutions and signaling applications

#### Our Portfolio

Only provider of **full portfolio** including Hardware, Software & Services with a global footprint

#### Our Know-how

**Large and complex solution projects** such as “Wales” project, Kantonsspital St. Gallen or Humber River (Canada) confirm our ability to generate significant customer value within complex environments

### Ascom tomorrow

As a trusted partner of our customers, we are developing **integrated communication and collaboration solutions** to:



**Optimize workflows** improving patient outcomes while reducing employee strain and increase productivity



**Support the continuum of care** over all the different stages of healthcare delivery – whether in hospitals, in the home or in long-term care situations



**Integrate** & analyze all relevant **real time data** to allow for continuous process improvements, new insights and proactive care

# Proposal to Shareholders for Annual General Meeting 2022

1. Dividend proposal of **CHF 0.20** per share with a **payout ratio of 53%**
2. **All Board members** stand for re-election
3. **KPMG** proposed as new audit firm
4. Revision of Articles of Association: Prolongation of the **existing authorized capital increase** by two years (until 13 April 2024)







# Introduction and Strategic Direction

**ascom**

Nicolas Vanden Abeele, CEO



# Introduction



## Nicolas Vanden Abeele

- **Group CEO (since 1 February 2022)**
- Member of the Executive Committee at Barco (2017 – 2021)
- Member of the Management Board of ETEX Group (2011 – 2017)
- Various leadership positions at Nokia / Alcatel-Lucent (1997 – 2011) and Strategy Consulting at Arthur Andersen (1995 – 1997)

# Ascom's Strategy Bottom Line

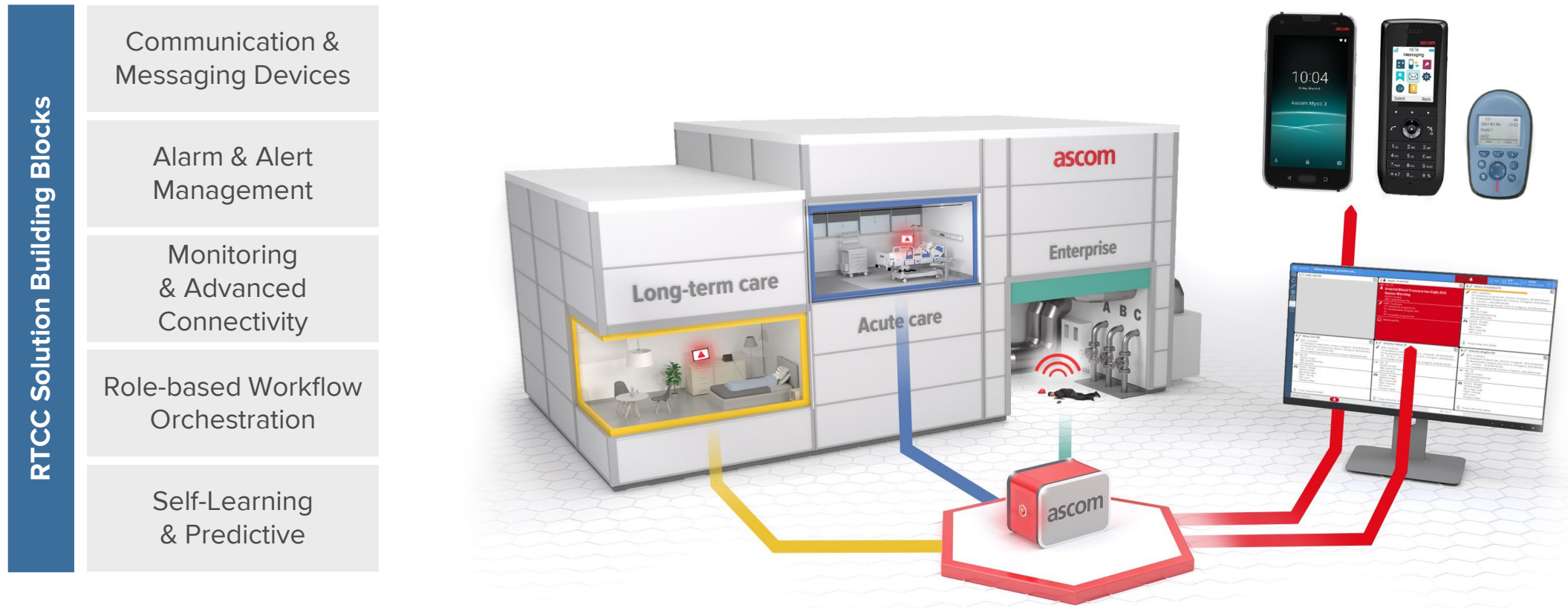
- Leveraging further our **leadership position** in Real-Time Communication and Collaboration (**RTCC**)
- Evolving to a **customer-centric solutions** partner
- **Software and Services** as key competitive differentiators
- **Mid-term Guidance:** Achieving double-digit growth over next years and an annual EBITDA-margin improvement of about 100 bp (basis points) until 2025



**Transforming data into insights  
and actionable outcomes**

# Grow Our Leadership Position in Real-Time Communication and Collaboration (RTCC)

Exploiting the **full solutions portfolio** (with Software, Mobility, Patient Systems and Services) to provide critical information to the right person, in the right place, at the right time to take the right decisions.



# Proactive Workflows Becoming Key to Customer Success

Ascom to Take a Global Leadership Position As This Ecosystem Forms

## From reactive to proactive workflows

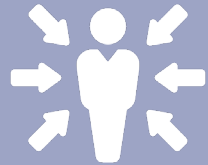
- Results in **more efficient and effective processes and care**
- Addressing issues before they appear (e.g. health problems and accidents)
- Allows for **better patient outcomes** at lower cost, reducing patient days in Intensive Care Unit (ICU)



## Ascom's key role

- Ascom **well positioned** to capture global leadership position as this ecosystem forms
- Today, **first proactive workflows** in place (e.g. predictive analytics with Clinical Decision Support System)
- **(Clinical) Consulting services** will be key
- **Big Data, Artificial Intelligence and wearables** driving this evolution

# First Observations and Key Priorities Going Forward



## Customer Centricity

- Customer-centric solutions
- Market & ROI-driven value propositions



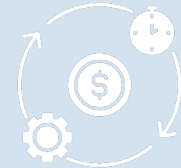
## Ramping Up Sales & Marketing Engine

- Sharpen Go-to-Market strategy
- Strengthen strategic alliances
- Boost Long-Term Care and Enterprise



## Full End-to-End implementation of RTCC\* across all segments

- Standardize segment offerings and add data features
- Leverage integrated SW suite
- Streamline service framework



## Operational Efficiency

- Shape Ascom portfolio
- Simplify processes & tools
- Organizational readiness

# Ensuring Operation Safety in a Decentralized Environment

Électricité De France (EDF) - France

## About the Customer



Électricité de France (EDF), a large multinational electric utility company



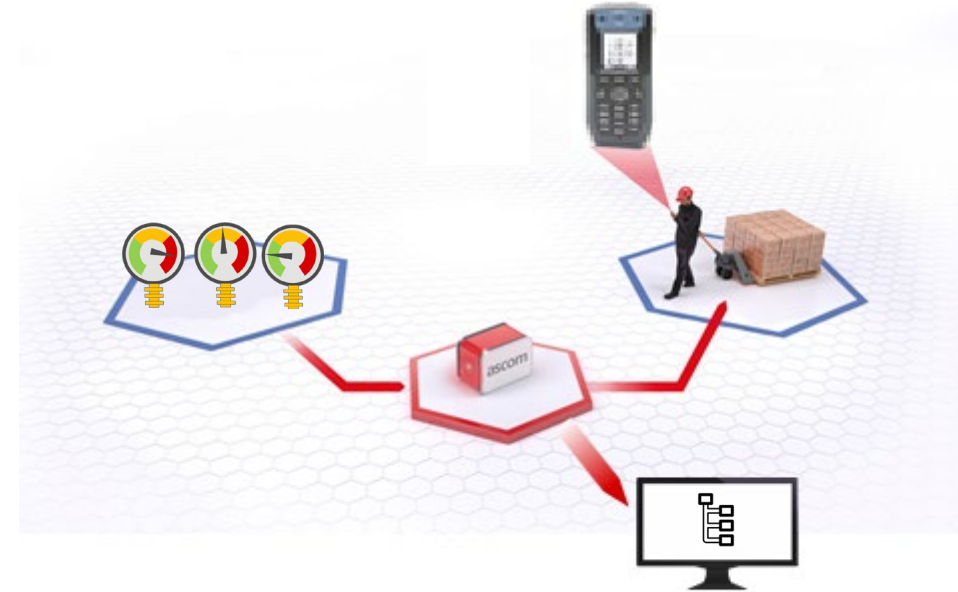
Major electricity provider with many decentralized sites



**Goal:** Ensuring plant safety by distributing alarms to mobile staff

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## Solution (simplified)



### Value and benefits for customer

- Plant and process are protected through monitoring & alarming possibilities to response teams
- Increase stability and safety of processes resulting in less interruptions



# Full Ascom Alarming Solution for More Efficient & Cost-Effective Care

Kantonsspital St.Gallen - Switzerland

## About the Customer



Kantonsspital St. Gallen as largest employer in region with 6'000 employees



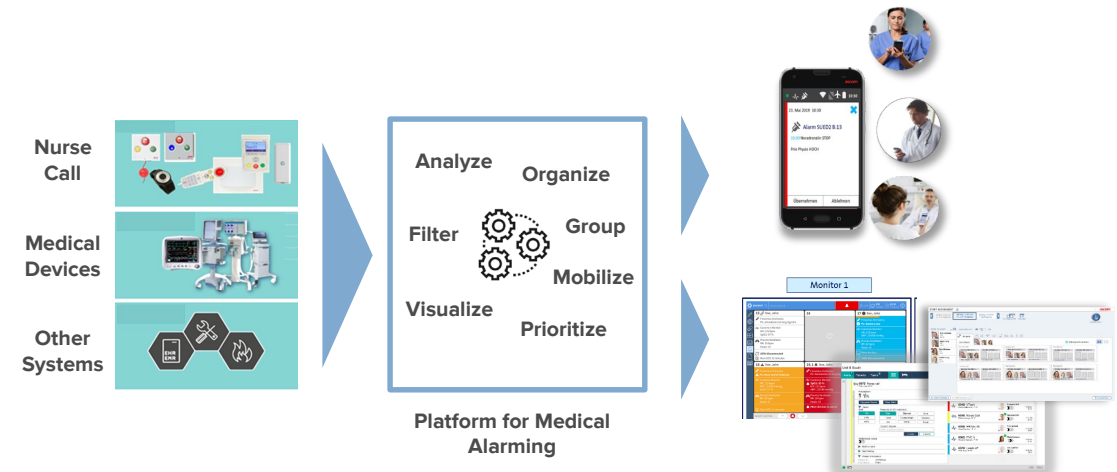
Key competence centers in ICU, Cardiology, Neurology or Infectiology



**Goal:** Alarming of medical staff and activation of workflows

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## Solution (simplified)



### Value and benefits for customer

- Caregivers receive qualified alarms independent of location
- Enabling more efficient and cost-effective processes
- Structuring of data resulting in better decision-making

# From Reactive Towards Proactive Care Based on Data And Algorithms

Hospital Sant Joan de Déu - Spain

## About the Customer



Hospital Sant Joan de Déu in Barcelona with more than 3'000 professionals



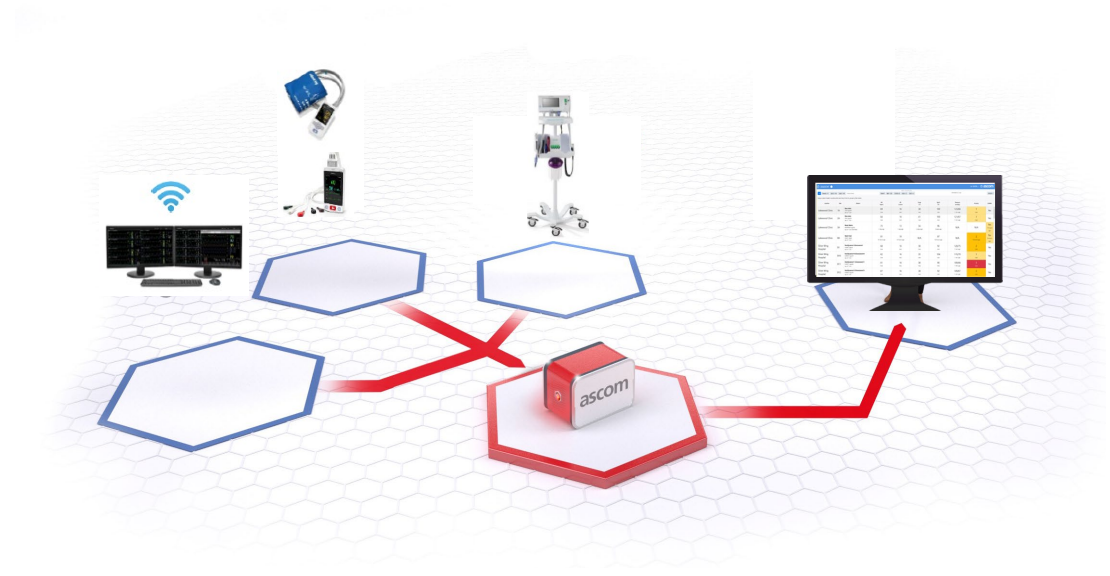
One of the first hospitals with dedicated internal innovation department



**Goal:** Proactive care based on algorithms

**ascom**

## Solution (simplified)



### Value and benefits for customer

- Change from reactive towards proactive care to improve decision-making for caregivers
- Ultimate goal to increase care effectivity and decrease length of stay resulting in improved outcomes at lower cost



# Exploiting The Full Potential of Ascom

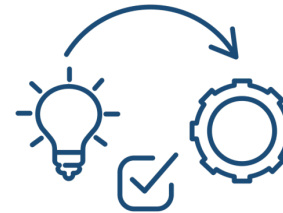
Focus Areas Towards Revenue and EBITDA Accretion



**Customer -  
Centricity**



**Ramping Up Sales &  
Marketing Engine**



**Strategy Execution  
Towards RTCC**



**Operational  
Efficiency**



# Guidance

**ascom**

Nicolas Vanden Abeele, CEO

# Confirmation of Mid-term Guidance

As Communicated at Half-Year Media Conference 19 August 2021

## Mid-term Guidance\*

- **Ascom sees a clear path to double-digit growth over the next years**
  - Above-average growth of the Healthcare communication market driven by digitalization, post-Covid developments, governmental funding programs
  - Growth opportunities in the US market due to new GPO frame agreements, more software sales and more recurring revenue
  - New opportunities in the OEM business due to a development towards a solution driven business
- **Ascom expects an annual improvement of the EBITDA-margin of about 100 bp (basis points) until 2025**

\*Ascom's mid-term guidance for the next four years is based on constant currencies and without exceptional events

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# Guidance 2022

Ascom targets for 2022 **mid single digit revenue growth** and **EBITDA margin improvement** of about **100bp** (basis points)\*.

\*at constant currencies and without exceptional events

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Q&A

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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.