

Expand Focus on growth

2023 Financial Results Media Conference

March 5, 2024

ascom



Welcome

Daniel Lack, Company Secretary

ascom



Agenda

- 1. Full-year 2023 at a glance** Nicolas Vanden Abeele, CEO
- 2. Financial Review 2023** Dominik Maurer, CFO
- 3. Strategy & Business Update** Nicolas Vanden Abeele, CEO
- 4. Guidance** Nicolas Vanden Abeele, CEO
- 5. Questions & Answers**

Full-year 2023 at a glance

Nicolas Vanden Abeele, CEO

ascom



Full-year 2023 at a glance



Good progress and financial performance despite macroeconomic headwinds in H2/2023



Net revenue growth of 5.5% at constant currencies (flat at actual currencies)



Flat incoming orders at constant currencies with **solid order backlog**



Increase of **EBITDA margin to 10.1%** (8.0% in 2022)



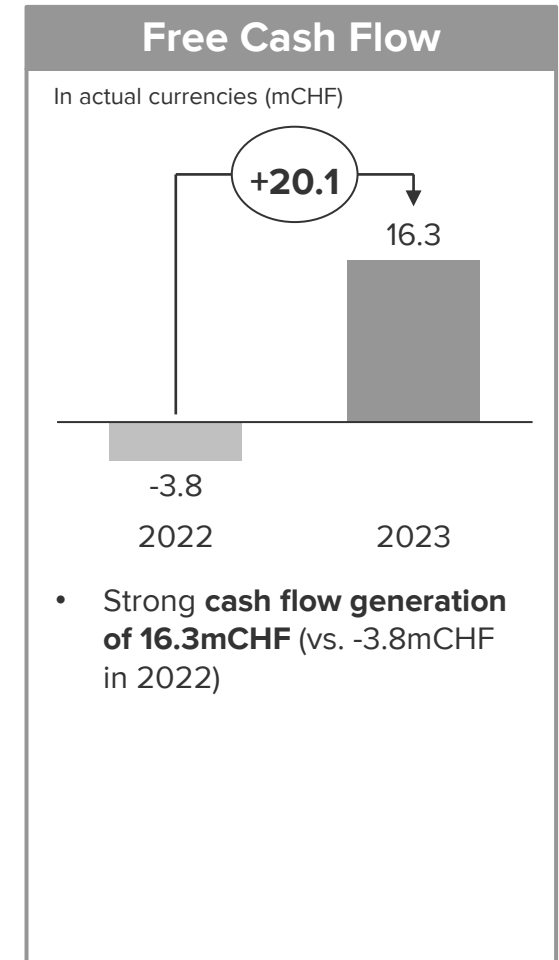
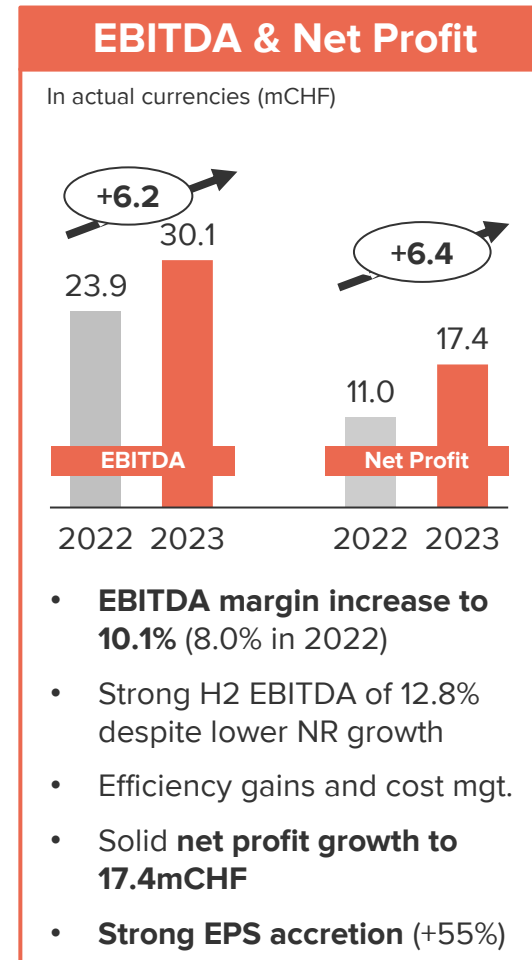
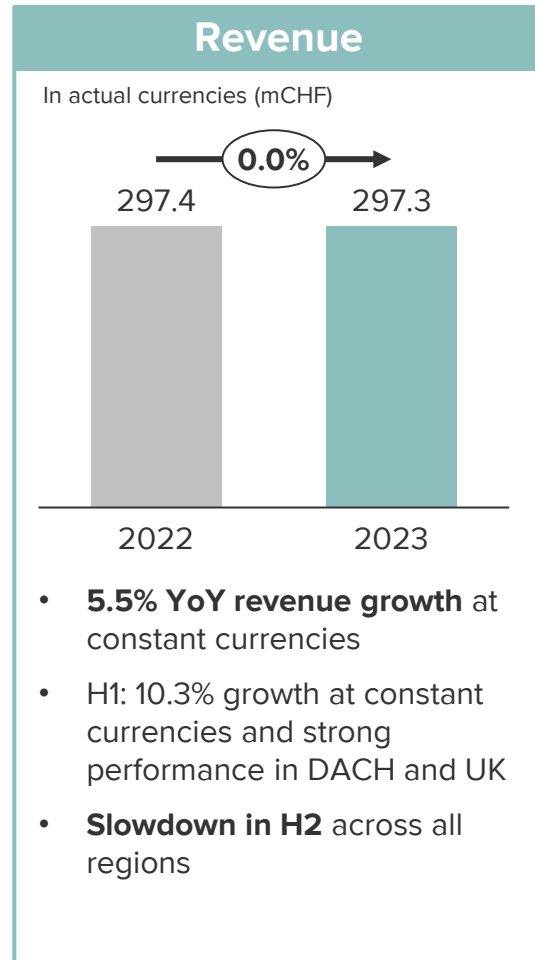
Strong **net profit of 17.4mCHF** (11.0mCHF in 2022) and **increased EPS** to 0.48 CHF (0.31 CHF in 2022)



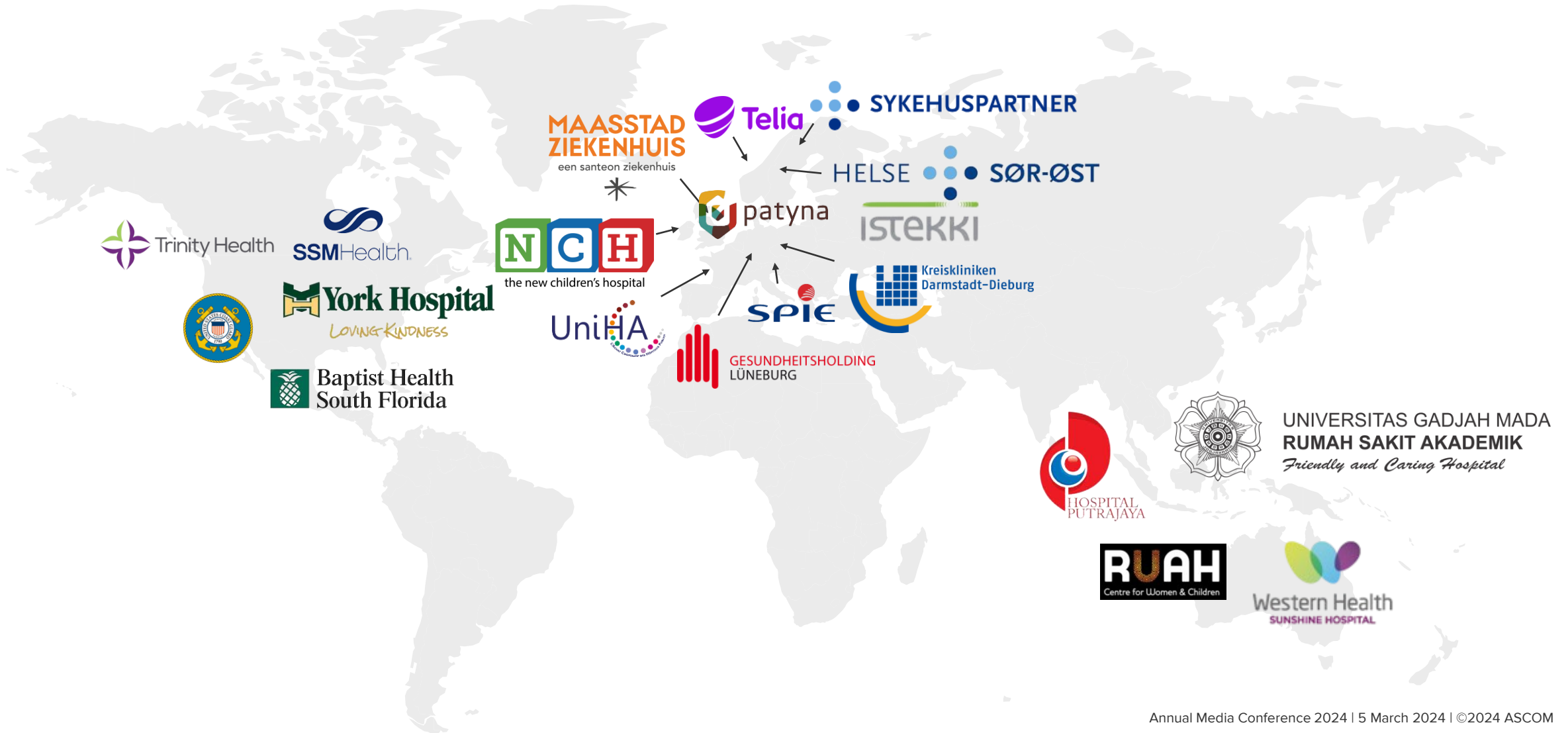
Solid **equity ratio (39.9%)** and improved **net cash position (24.7mCHF)**

2023 Highlights

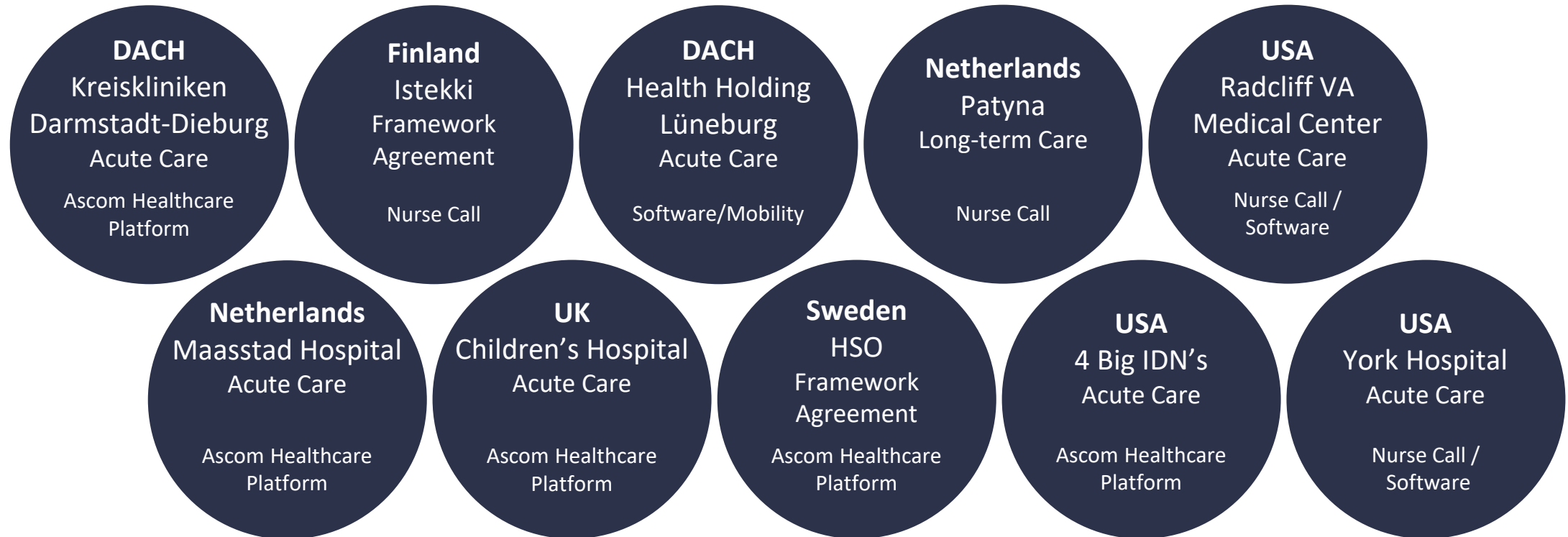
Good progress on financials despite slower H2/2023



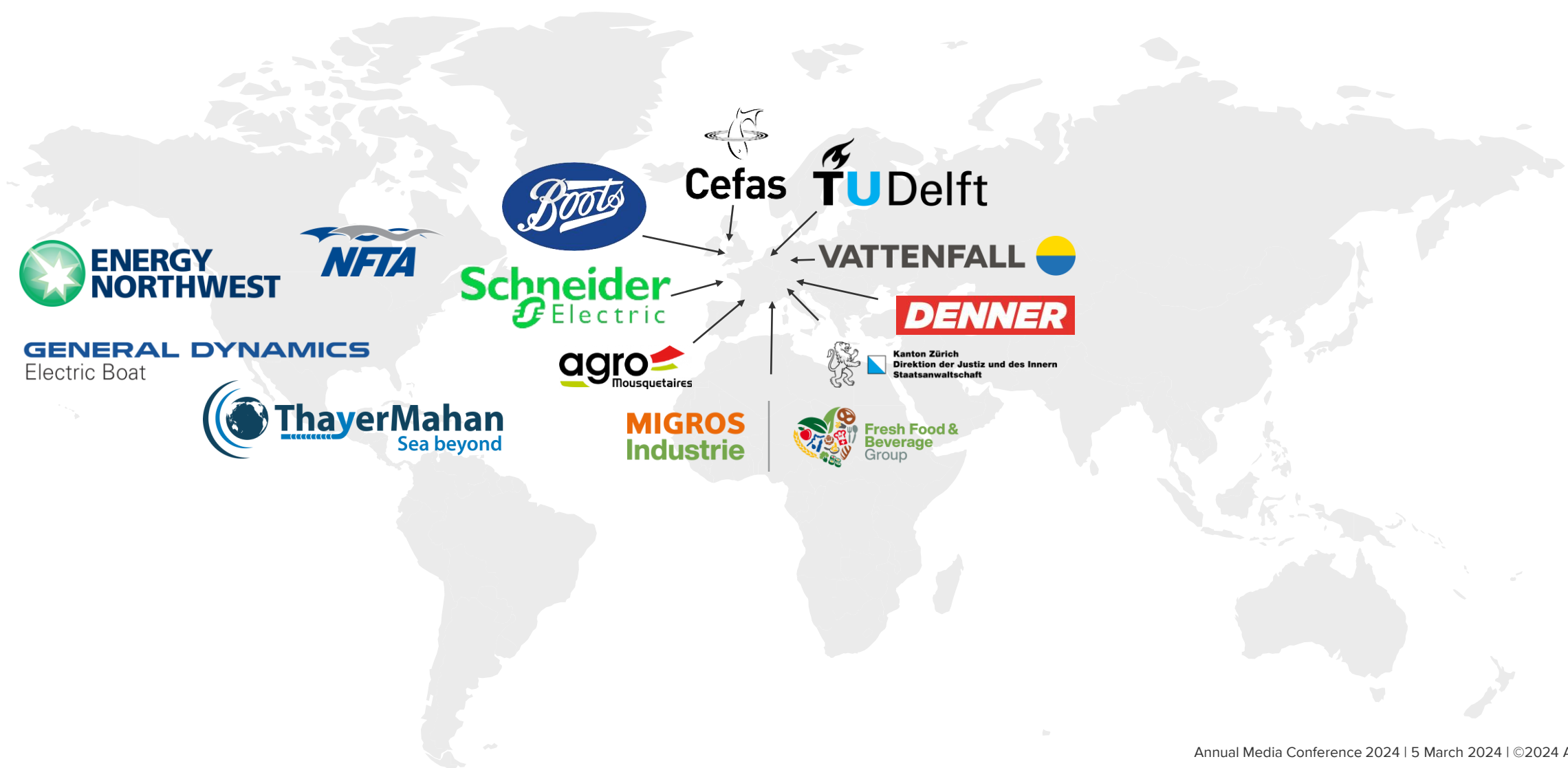
Selected Healthcare Wins in 2023 (by customers)



Selected Healthcare Wins in 2023 (by products)



Selected Enterprise Wins in 2023



Financial Review 2023

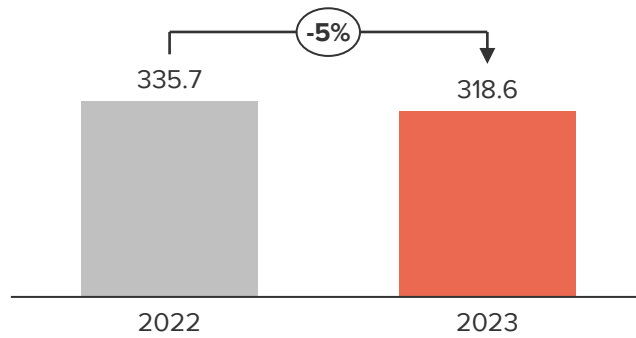
Dominik Maurer, CFO

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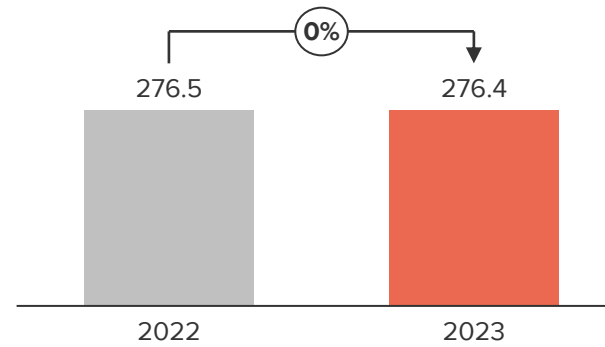


FY 2023 Key Figures (at actual rates, mCHF)

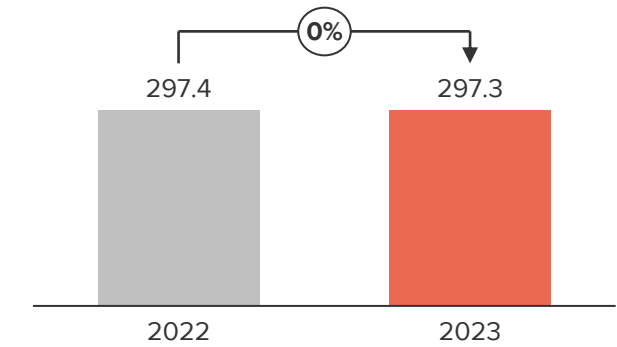
Incoming Orders



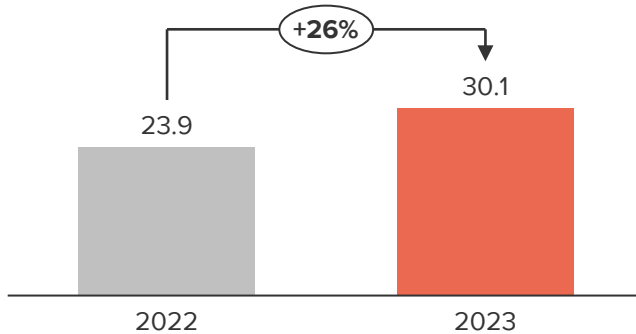
Order Backlog ⁽¹⁾



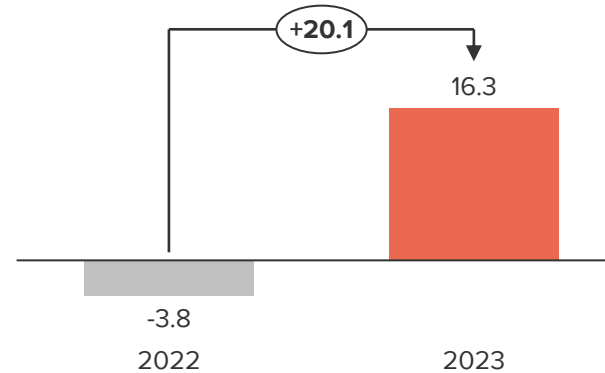
Net Revenue



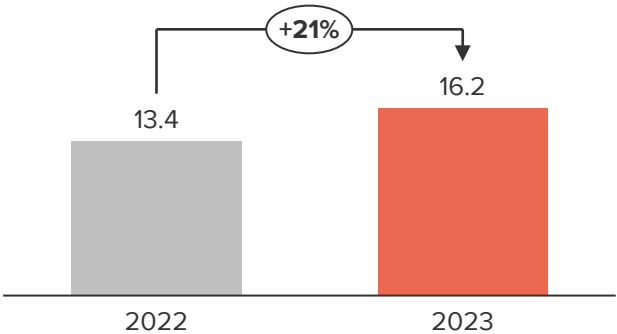
EBITDA



Free Cash Flow



Capital Expenditure ⁽²⁾

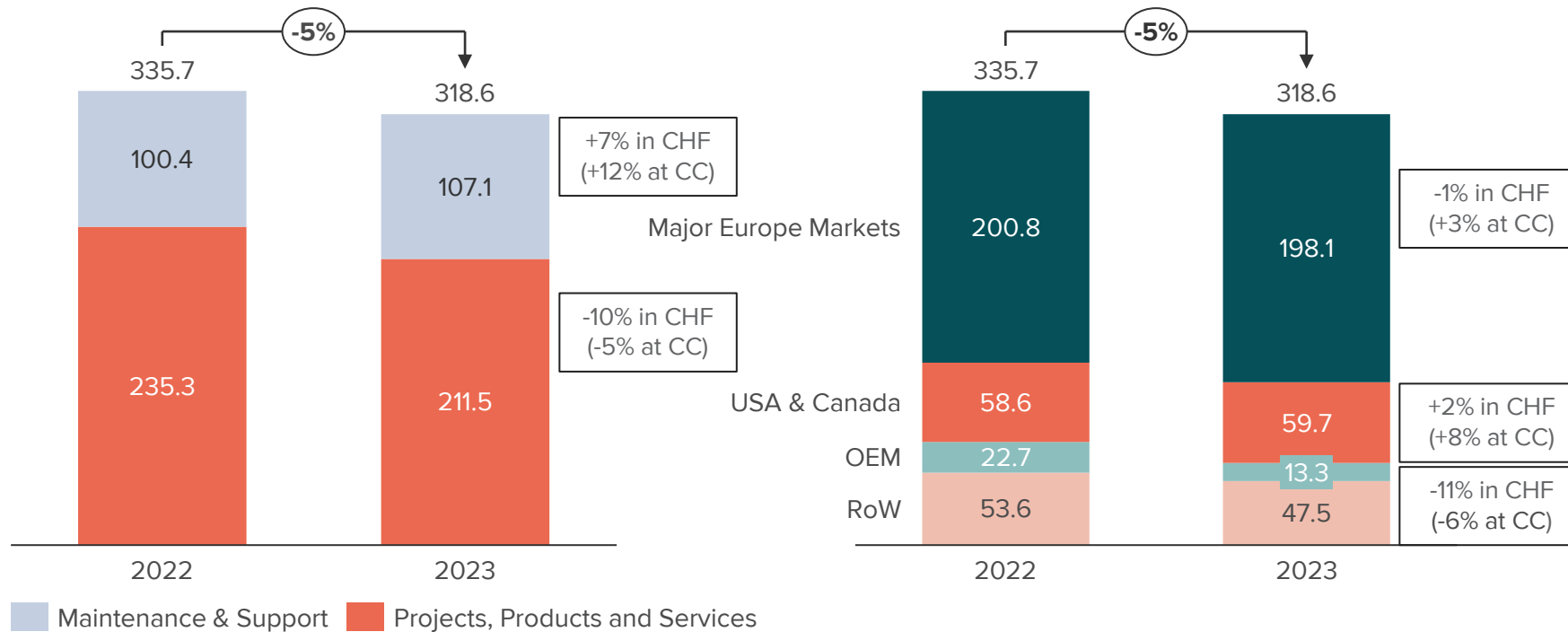


(1) At 31 December

(2) Capital expenditure is calculated as the sum of investments in tangible and intangible assets

Flat Incoming Orders (at constant currencies)

Good order intake growth in USA & Canada

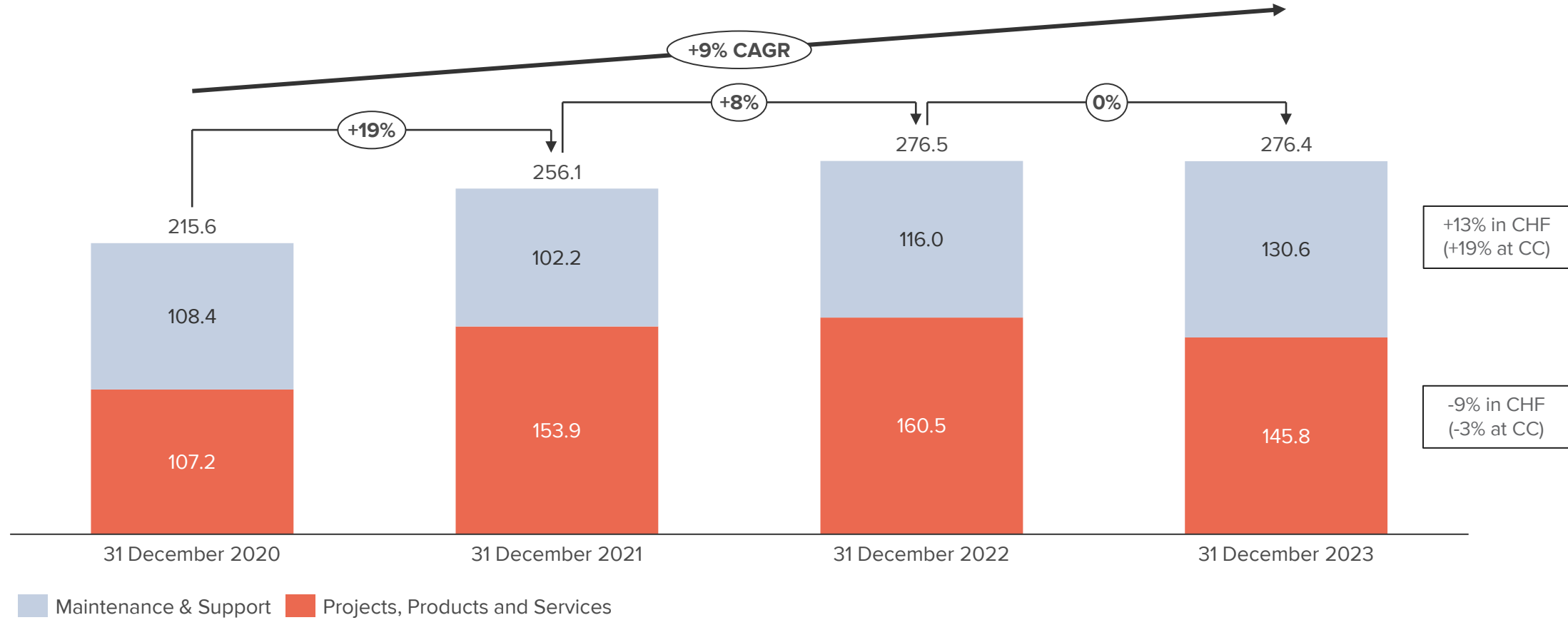


- Incoming Orders flat year over year: 0% at constant currencies (-5.1% in CHF)
- Maintenance and support saw double digit growth
- Delays and weaker demand in projects, products and services impacted result
- Major European markets were flat
- OEM shortfall mainly due to one partner while RoW saw customer side project delays and market slowdown in Australia

Note: All values mCHF. All values as reported = actual currencies, when marked cc=constant currencies, eliminating currency impacts
 Major Europe Markets are DACH, France & Spain, NL, Nordics and UK
 Rest of the World (RoW) includes Finland, Italy, Belgium, CEE, APAC

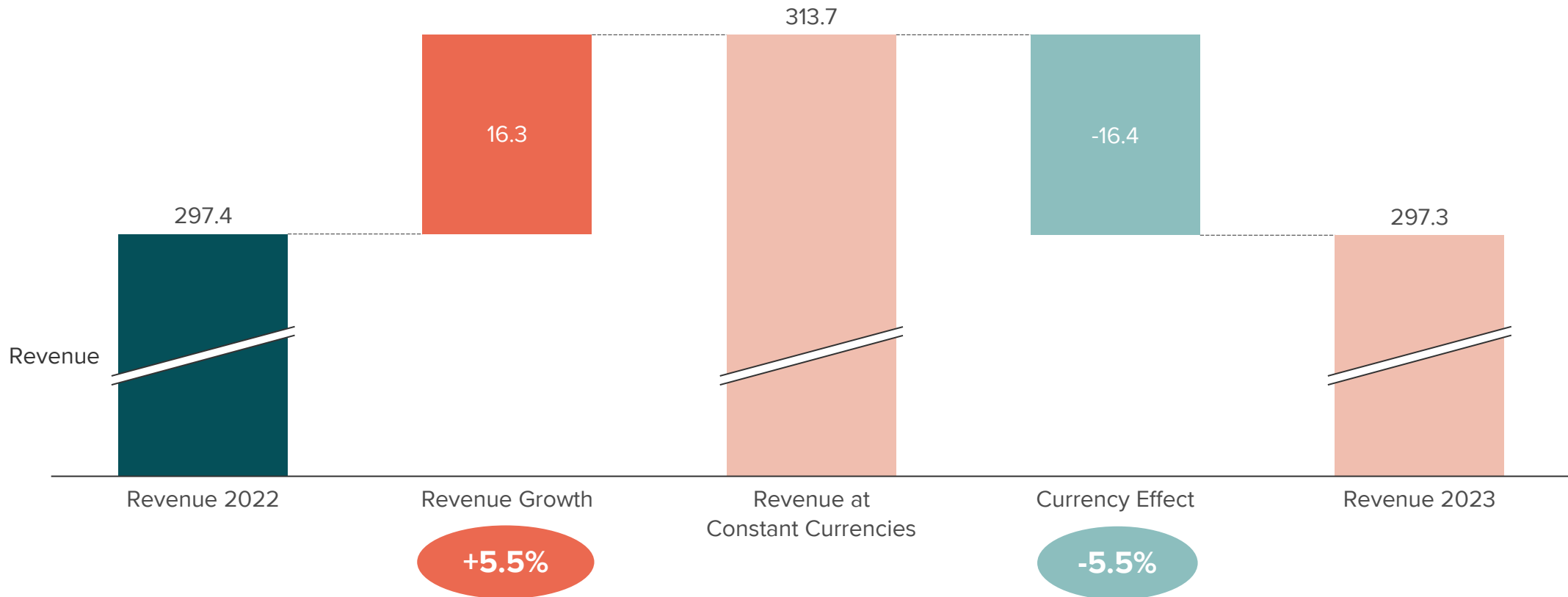
Continued Order Backlog Growth by 6% in 2023 (at constant currencies)

More than 50% of Order Backlog converting to revenue in 2024



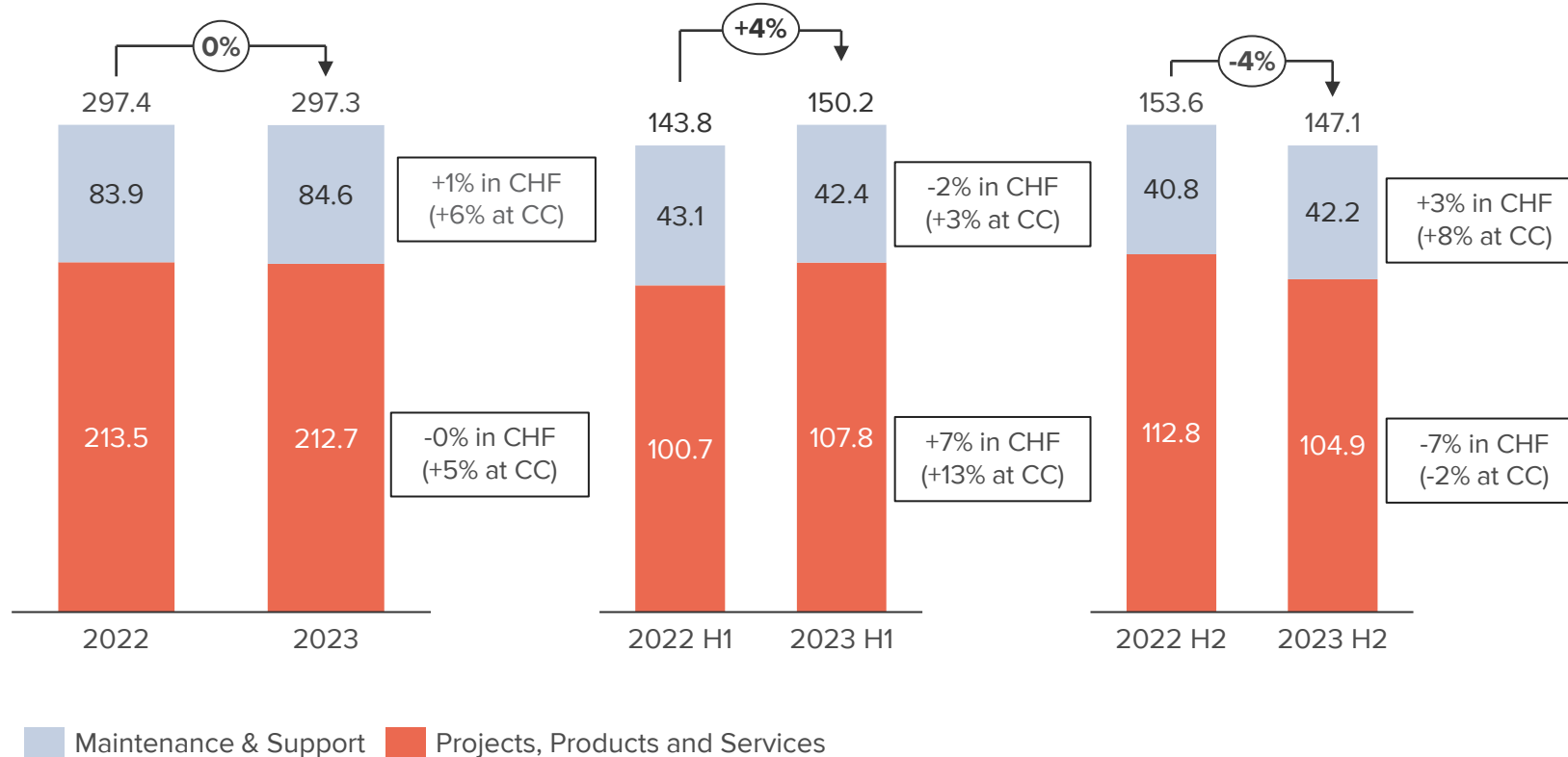
Good Revenue Growth of 5.5% (at constant currencies)

Revenue growth at actual rates impacted by strong currency headwinds



Net Revenue Development

Revenue growth flat, though grew 5.5% at constant currencies



- Net revenue growth was 5.5% at constant currencies (a flat 0.0% in CHF underscoring the FX impact)
- Maintenance & Support grew of 5.8% at constant currencies with large contracts renewing in H2
- Projects, products and services grew 5.3% at constant currencies without impacting the backlog which remains healthy
- Quality of sales continues to improve with recurring software growing 23.8%

FY 2023 Revenue – Regional Development

Strong currency headwinds in most regions

Region	Revenue CHFm	Variance to PY in % CC	Variance to PY in CHF	Comments
DACH	52.7	10.0%	8.4%	Strong growth in Enterprise and LTC segments driven by Mobility projects.
France & Spain	20.5	1.3%	-1.9%	Slow down in Long-term Care offset by increased Acute Care and Enterprise segment growth.
Netherlands	48.1	1.0%	-2.0%	Increased sales in Software and Nursecall offsetting a negative growth in the Fire & Safety business.
Nordics	39.4	1.1%	-9.2%	Good growth in Software solutions while customer delays in other projects.
UK	19.4	27.9%	21.3%	Good growth in Acute Care driven by the large Wales healthcare project.
USA & Canada	54.0	4.2%	-1.5%	Double-digit growth in recurring revenue and Software sales. Slower project revenue due to timing and customer readiness challenges.
Rest of the World (RoW)	44.5	6.8%	0.9%	Positive growth across all markets except Asia and Finland due to project delays. Belgium, Central Europe and MEA are all growing mid/high single-digit.
OEM	18.7	1.7%	-8.8%	Moderate growth as a result of financial constraints with some partners but now benefiting from the ramp-up of the large deal won several years ago.

FY 2023 P&L

Solid EBITDA Margin of 10.1% and increased net profit

	2023	%	2022	%	Variance %-cc	Variance %-CHF
Net Revenue	297.3	100.0%	297.4	100.0%	5.5%	-
Cost of Sales	(155.9)	-52.4%	(161.3)	-54.2%	0.8%	-3.3%
Gross Profit	141.4	47.6%	136.1	45.8%	11.0%	3.9%
Marketing & Sales	(74.1)	-24.9%	(73.8)	-24.8%	5.7%	0.4%
Research & Development	(26.6)	-8.9%	(26.7)	-9.0%	8.0%	-0.4%
Administration	(20.9)	-7.0%	(20.8)	-7.0%	6.7%	0.5%
Other Operating (Expense)/Income	0.4	0.1%	(0.9)	-0.3%	-92.5%	n/a
EBIT	20.2	6.8%	14.0	4.7%	57.6%	44.3%
EBITDA	30.1	10.1%	23.9	8.0%	37.8%	25.9%
Net Profit	17.4	5.9%	11.0	3.7%	58.1%	58.2%

Main positive drivers

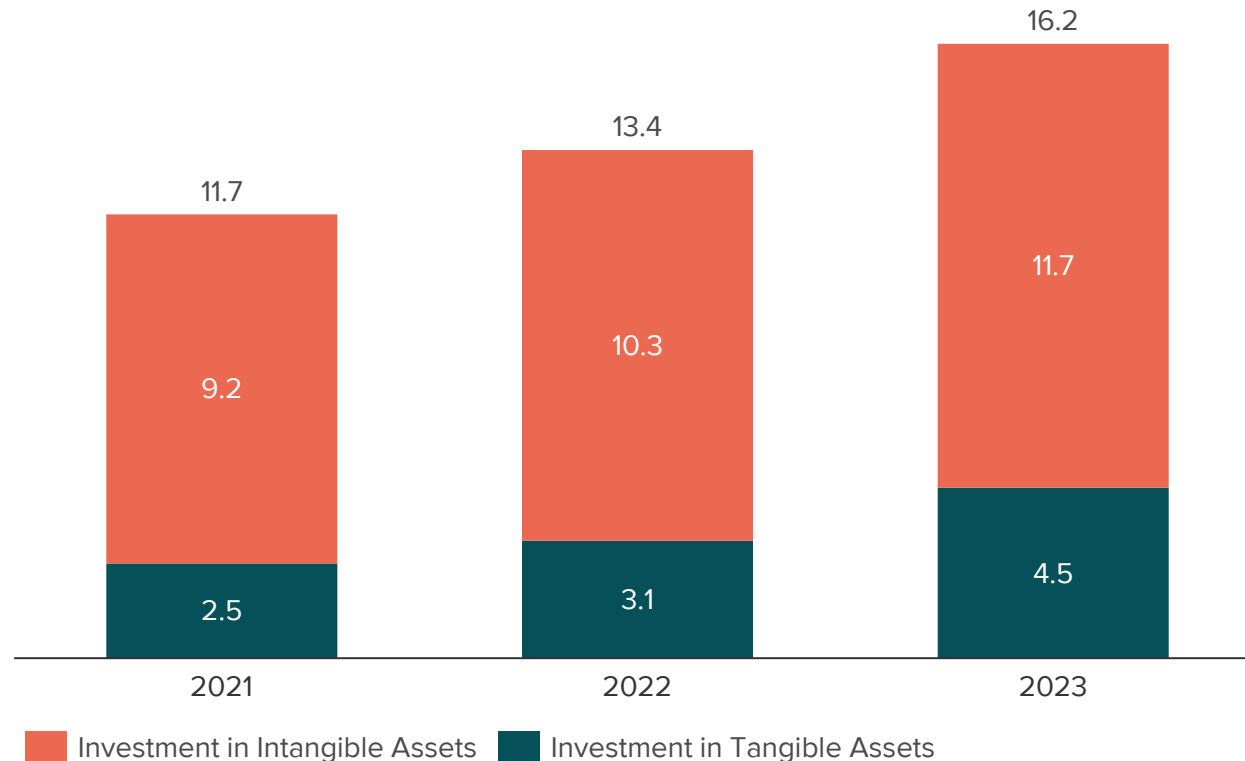
- Cost of Sales decreased mainly due to less spot buys and improved efficiency in Services
- Investment into Marketing & Sales to support continued orders growth
- EBITDA margin improved due to various cost management initiatives
- Net Profit increase of 58.2%

Main negative drivers

- Weaker demand in H2 impacted net revenue
- Negative currency effect with revenue headwind of 5.5%
- Administration costs as % of revenue flat and includes severance for restructuring

CAPEX

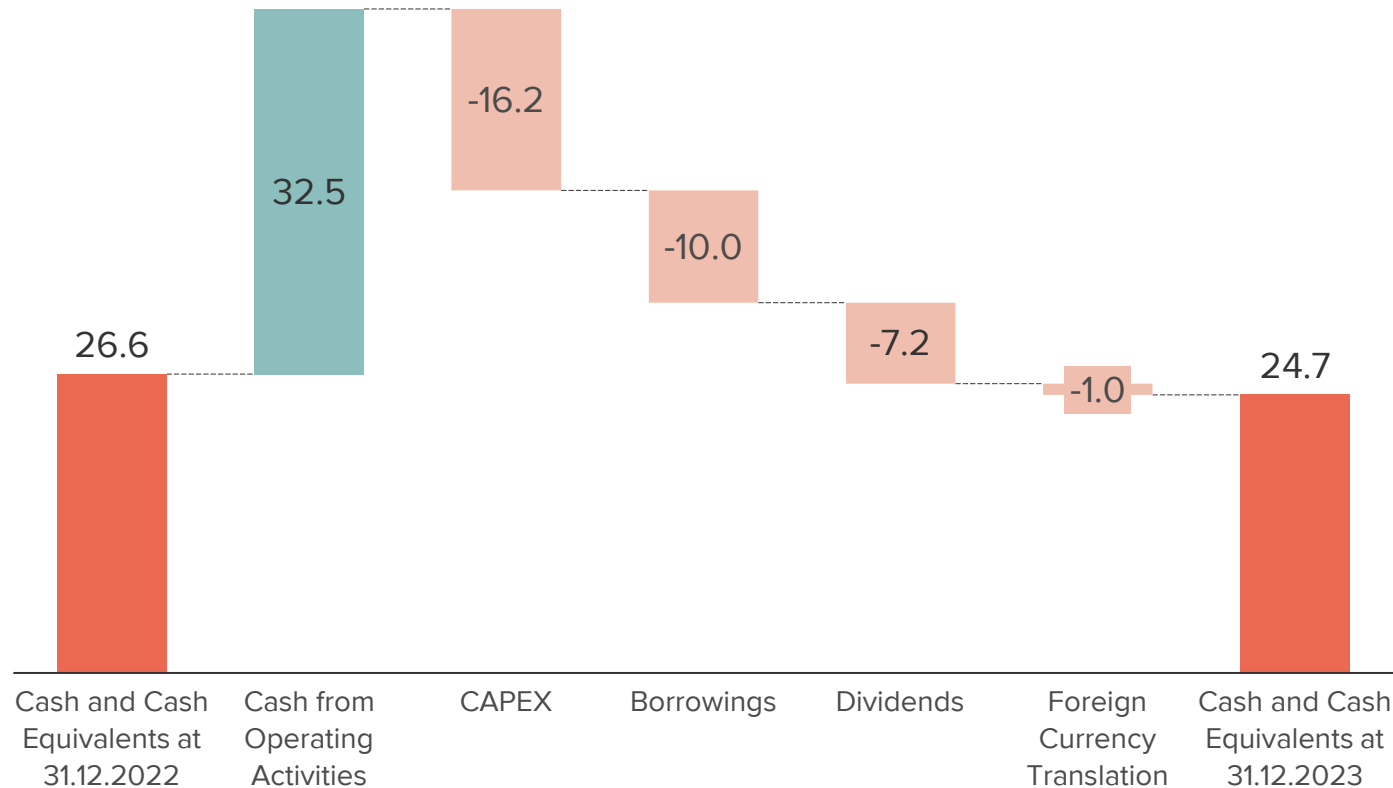
Increased CAPEX due to strategic investments and building refurbishment



- Continued product development driving strategic investment in intangible assets
- Launch of the new Myco 4 and large OEM DECT product family
- Tangible assets increase due to ICT investment and office refurbishment in Sweden

Cash Development

Strong operating cash flow due to less spot buys and improved working capital



- Operating cash flow of 32.5mCHF (+22.3m vs 2022) mainly driven by higher net profit and reduced receivables
- CAPEX 2.8mCHF higher than previous year driven by ICT and product development
- Repayment of 10.0mCHF borrowings whilst ending cash at a healthy level of 24.7mCHF
- Dividend pay-out in 2023 unchanged vs. 2022

Balance Sheet

Solid Balance Sheet with strong Net Cash position

	2023 31-Dec	2023 30-Jun	2022 31-Dec	2022 30-Jun
Cash & Cash Equivalents	24.7	21.2	26.6	14.1
Borrowings	-	-	10.0	-
Net Cash	24.7	21.2	16.6	14.1
Net Working Capital	60.9	58.8	70.5	58.1
Total Assets	197.2	191.2	201.8	178.2
Total Equity	78.7	68.2	73.4	65.2
Equity Ratio	39.9%	35.7%	36.4%	36.6%

- Net Cash higher due to better operational result and working capital management
- NWC decreased YoY driven by focus on receivables management
- Total assets decreased due to lower trade receivables

Strategy & Business Update

Nicolas Vanden Abeele, CEO

ascom



Trends supporting Ascom's solutions & growth

Increasingly demanding care environments



Demographic change

- The proportion of older people in the population is increasing.
- Shortage of personnel leads to disruptions and burnout.

The patient is a customer

The patient actively demands healthcare services, for example, an increasing demand for single rooms and for contextual information.

Care services – Always & everywhere

The patient desires 24/7 care everywhere, from hospitals to home-based outpatient care.

Progressing Digitalization

Digital Health has become a priority:

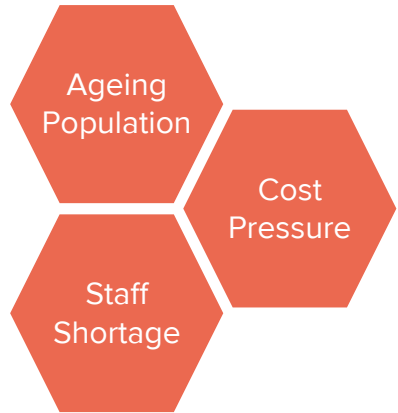
- Improved information acquisition.
- Expansion of services.

Increasing Regulatory Demands

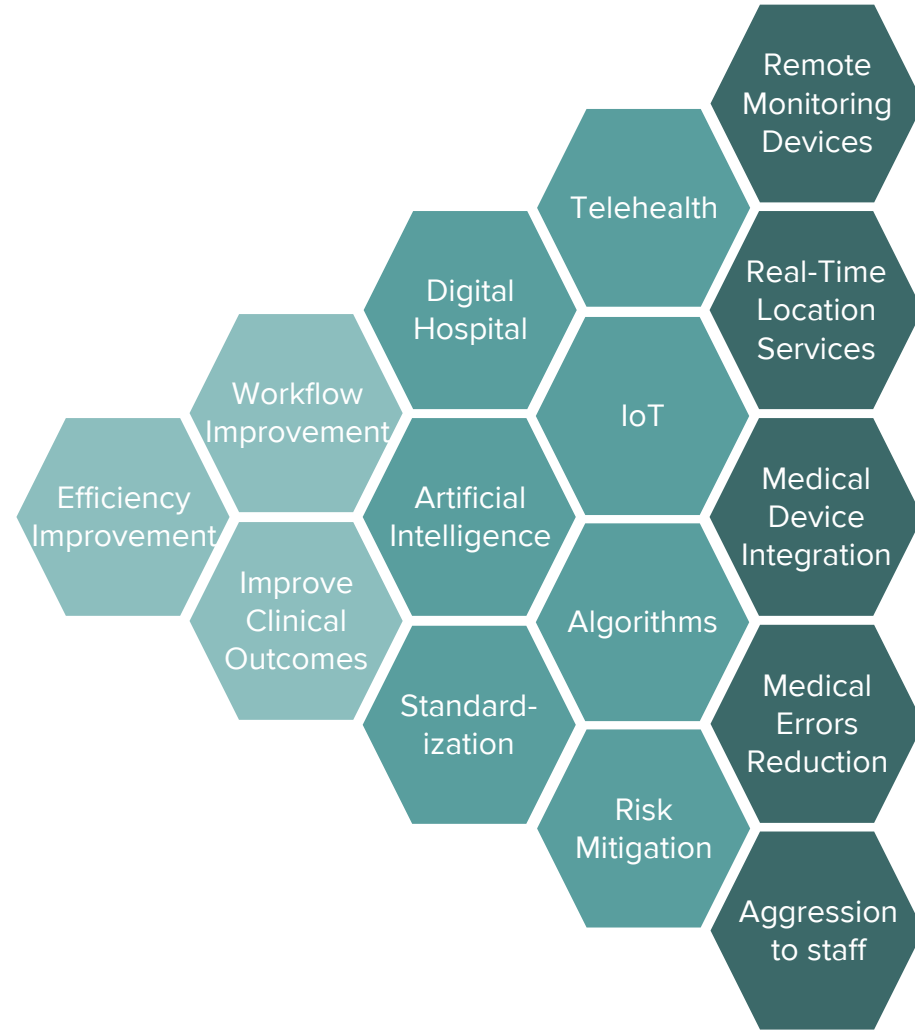
Companies must comply with more and more legal and regulatory conditions (e.g. MDR).

Demographic changes require higher efficiency in healthcare

Digitalization is key



ascom
solutions & support
to address the challenges



Ascom as a key partner across the care pathways

Providing the right information to the right person at the right time

Care pathways

Emergency room

General ward

Central Monitoring station

Operation room

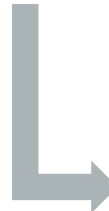
ICU

Rehab center

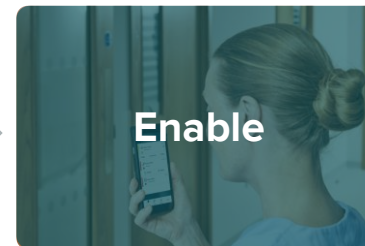
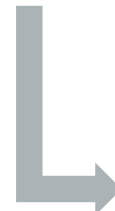
Care@Home



Holistically collect and integrate critical information.



Analyze, visualize and prioritize data-driven alarms



Provide mission-critical information, at the right time to the right person



Make the Invisible Patient Visible

Bringing the **right data** to the **right person** at the **right time**.

Make the invisible patient visible



Ascom Healthcare & Enterprise Platforms

Becoming the leading enabling platform



Nurse Call



Digistat



SmartSense



Unite/Ofelia



Mobility

Drivers underpinning our strategy & equity story



Accelerating growth in key regions and by leveraging solution synergies



Scalable solutions driving better revenue mix and gross margin improvements

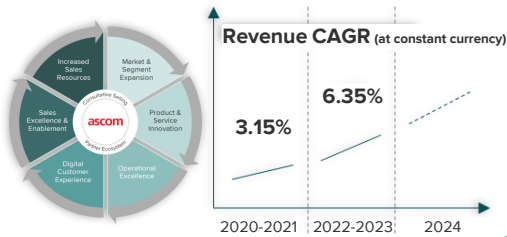


Continued operational excellence and efficiency improvements

Growth

Continuing to drive growth through product & solution innovation

Stepping up growth



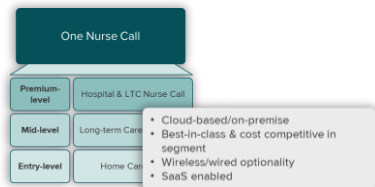
- Increasing footprint in **key growth markets US, DACH, UK, Italy, France & Spain**
- Further strengthening our **sales capabilities**
- Stepping up **best-in-class customer experience**

Myco 4



- Newest **medical grade smartphone** with new scanning capabilities, emergency features and enhanced hot swappable battery
- Fully **integrated with the Ascom Healthcare Platform**, enabling better **patient-centered care** and more effective **real-time care team collaboration**

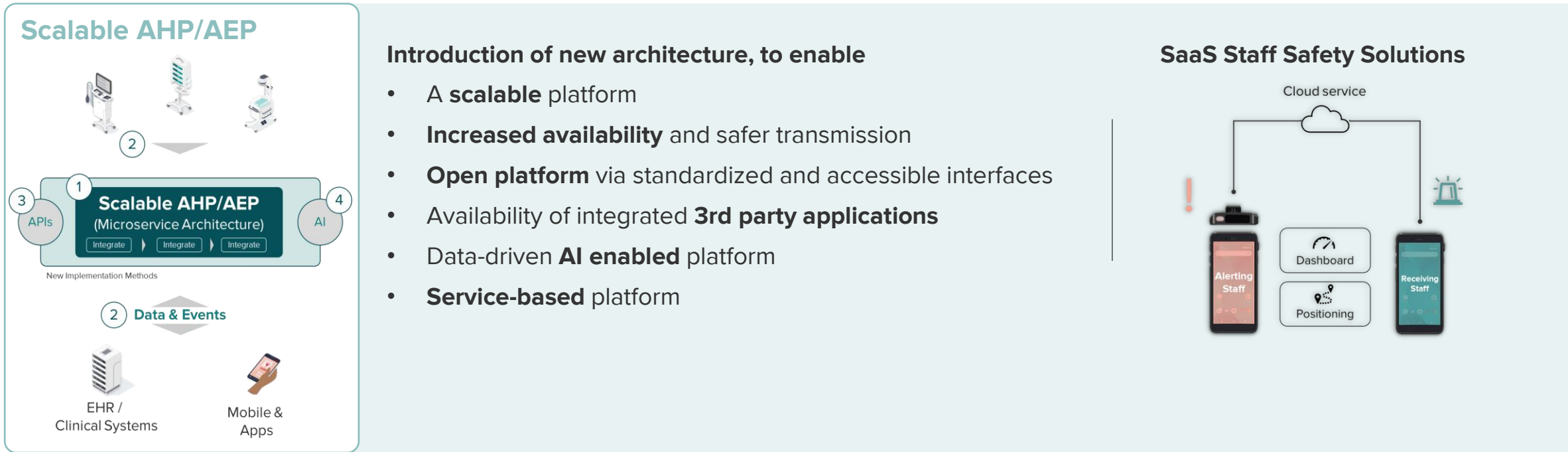
Next-gen Nurse Call



- **Increasing our share of wallet** in mid- and entry level segments
- Enable cloud-based architecture with **new SaaS licensing models**

SaaS and Cloud offerings

Leveraging scalable Ascom Healthcare & Enterprise Platforms (AHP/AEP)



Introduction of new architecture, to enable

- A **scalable** platform
- **Increased availability** and safer transmission
- **Open platform** via standardized and accessible interfaces
- Availability of integrated **3rd party applications**
- Data-driven **AI enabled** platform
- **Service-based** platform

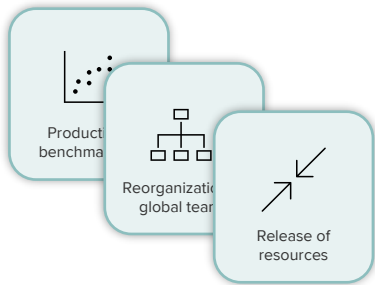


- Cloud-based solutions, further **driving recurring and software revenue**
- State-of-the-art platform based on “**containerized microservices**”
- Fully scalable and **easy to configure/operate**

Operational Efficiency

Driving sustainable productivity enhancements in 2024 and beyond

Shape-up initiative



Shape Up cost reduction program on track

- **Net positive contribution** despite restructuring charges in 2023
- Improved cost base for 2024 with **10mCHF run-rate savings vs baseline 2021**

Efficiency savings



Further efficiency savings for 2024 and 2025

- Platform convergence
- **Standardized** and efficient deployment processes
- **Remote monitoring** and servicing of installed base
- Internal process efficiency with ERP D365 roll-out

Sustainability

Achieved milestones in 2023 (selection)

We care about our planet and people



Certified silver status

Ascom participates in yearly ESG performance certifications.

The Ascom Sustainability Report 2023 has been prepared in accordance with GRI Standards.

Environmental impact of operations

- Extended baselining
- Clear CO2 reduction plans
 - Scope 1 & 2
 - Key areas: Mobility, facility, product, waste

Reconfirming our ESG Ambitions



**Carbon-neutral
by 2040**



**Top-tier ESG ratings
by 2030**

Selection of References



Integrated Delivery Network

United States

Real-time Virtual Nurse dispatch based on Ascom Healthcare Platform



Maasstad Hospital

Netherlands

Digistat implementation



HSO Group

Norway

Digistat implementation



EU Innovative Health Initiative

Netherlands, Austria, Spain

European research project on “Smart and Silent ICU”, together with Dräger

Customer case Kreiskliniken Darmstadt-Dieburg

Delivering on a customer's One Device Strategy

About the Customer

- Modernization and reopening a part of the clinic in Darmstadt-Dieburg.
- Vision: Small clinic in the heart of Germany prepared for the future of acute care delivery.

Customer Objective

- Integration in existing legacy infrastructure
- Efficiency gains and cost savings in day-to-day care delivery
- Broad set of requirements including, connection to CIS EHRs, barcode-scanning, and wound documentation
- One device strategy for a 2.0 clinic

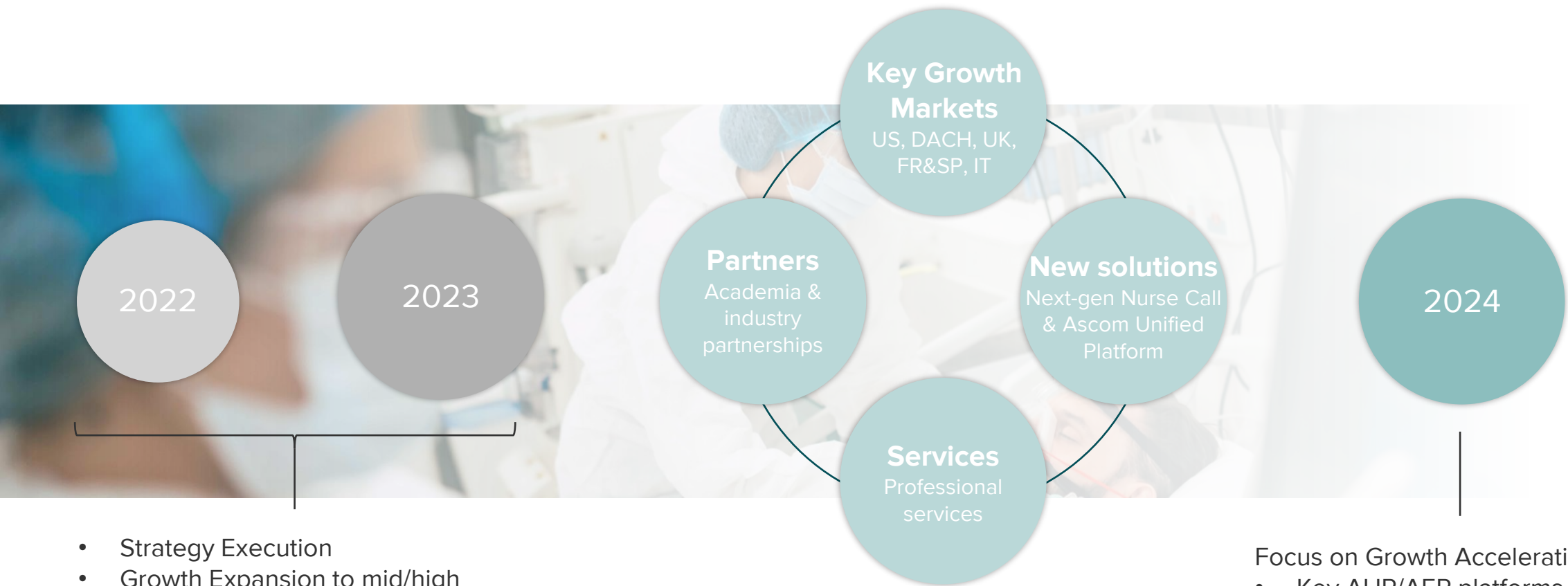


Our Solution

Enabling more efficient care delivery with Ascom's integration and orchestration solution.

- Digistat solution Smart Central and Smart Central Mobile in the newly built Intensive Care Unit.
- Deployment of Unite and DECT Myco

We are progressing well to become the leading enabling platform



- Strategy Execution
- Growth Expansion to mid/high single-digit revenue growth of 5-7%
- Good margin/EBITDA/Gross profit enhancements

- Focus on Growth Acceleration
- Key AHP/AEP platforms
 - Growing SaaS & software business
 - Higher recurring revenue share

Drivers underpinning our Equity Story

Sustained profitability enhancement in 2024 and beyond



Operating leverage, further accelerating our growth

- 5 key growth regions
- Recurring SaaS & Software revenue



Further gross margin enhancement

- Targeted gross margin of >50% (mid-term)
- Converged platforms
- Optimized product mix
- Pricing & COGS initiatives



Continued yearly productivity & efficiency gains

- Further reduction of functional costs
- Lowering of break-even point

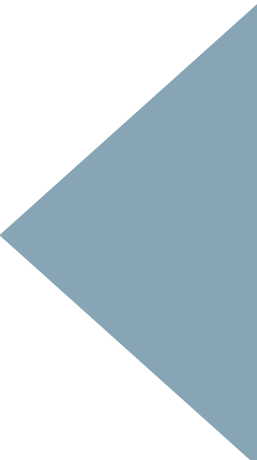


Go-to-market and process efficiency

- New ERP and additional digital tools enhancing efficiency and customer experience

Guidance

ascom



Guidance

- Ascom is active in attractive markets with continued need for digitalization
 - We are confident to further strengthen our competitiveness, grow our business and to benefit from the significant opportunities ahead.
-

Guidance 2024*:

For the fiscal year 2024, Ascom targets

- a mid single-digit revenue growth at constant currencies
- and aims to achieve an EBITDA margin of about 11%.

Mid-term Guidance*:

Over the next years, Ascom has the ambition to further accelerate growth and profitability, aiming for

- a high single-digit revenue growth at constant currencies by 2027
- and an annual improvement of the EBITDA margin of about 100bp per year until 2027.

*Ascom's 2024 guidance and mid-term guidance is based on the current market and economic environment, current visibility and at constant currencies

Proposal to Shareholders for Annual General Meeting 2024

	2023	2022
Group profit (CHFm)	17.4	11.0
Earnings per Share (CHF)	0.48	0.31

Proposed dividend to be paid in 2023 (CHF)	0.30
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- The **Board of Directors is proposing a dividend of CHF 0.30 per share** to the Annual General Meeting representing a payout ratio of 62%.
- **Election of the Members of the Board of Directors**
 - Re-election of Dr Valentin Chaperon (Chairman), Nicole Burth Tschudi, Laurent Dubois, Jürg Fedier, Michael Reitermann for another term of one year
 - Election of Dr Monika Krüsi as new member of the Board (replacing Dr Andreas Schönenberger who does not stand for re-election)

Conclusion & looking ahead

Ascom remains fully committed to its strategic ambitions:

- Execution of its **growth strategy**
- **Becoming the enabling platform** in the healthcare and enterprise segments
- Increasing **operational efficiency** and sales excellence
- **Focused on profit and cash generation**

Shape

Focus to perform

Expand

Focus on growth

Exceed
Sustained performance

Executing on our Transformation Journey

Shape

Focus to perform

- Strengthen competitive capabilities
- Operational excellence
- Improved financial performance

Expand

Focus on growth

- Increase profitability
- Improved innovation speed
- Customer-centric solutions

Exceed

Sustained performance

- Sustainable impact
- Enriched workflows
- Sustained growth

Questions & Answers



Thank you

