

EARNINGS CALL

RESULTS 1H.2018

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CANCOM

**PLAN.
BUILD.
PERFORM.**

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LEGAL NOTICE

REVIEW 1H 2018

GROUP

Accelerated top-line growth and higher profitability in 1H 2018.

Special investments express clear commitment to reinvest today's profits to build up cloud- and software-based business areas and reap exponential growth in the future.

GROUP

Adjusted key figures facilitate comparison with previous year's figures and historical peer group, as they offset the growing differences in business model and strategy.

SEGMENTS

Cloud Solutions segment generates more EBITDA (adj) as IT Solutions for the first time in a half-year period.

IFRS EFFECT

Initial application of IFRS 16 Leases leads to positive EBITDA effect.

Negligible effects on EBITA, EBIT or profit for the period.

GROUP: ACCELERATED GROWTH, IMPROVED PROFITABILITY



MAIN DRIVERS

Revenues grew due to demand for products/services in general and acquisitions.
Cloud Solutions generates more EBITDA (adj) as IT Solutions for the first time.

⁴ ⁺ Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (1H 2018 total: EUR 4.4 million)

CLOUD SOLUTIONS: DYNAMIC GROWTH CONTINUES

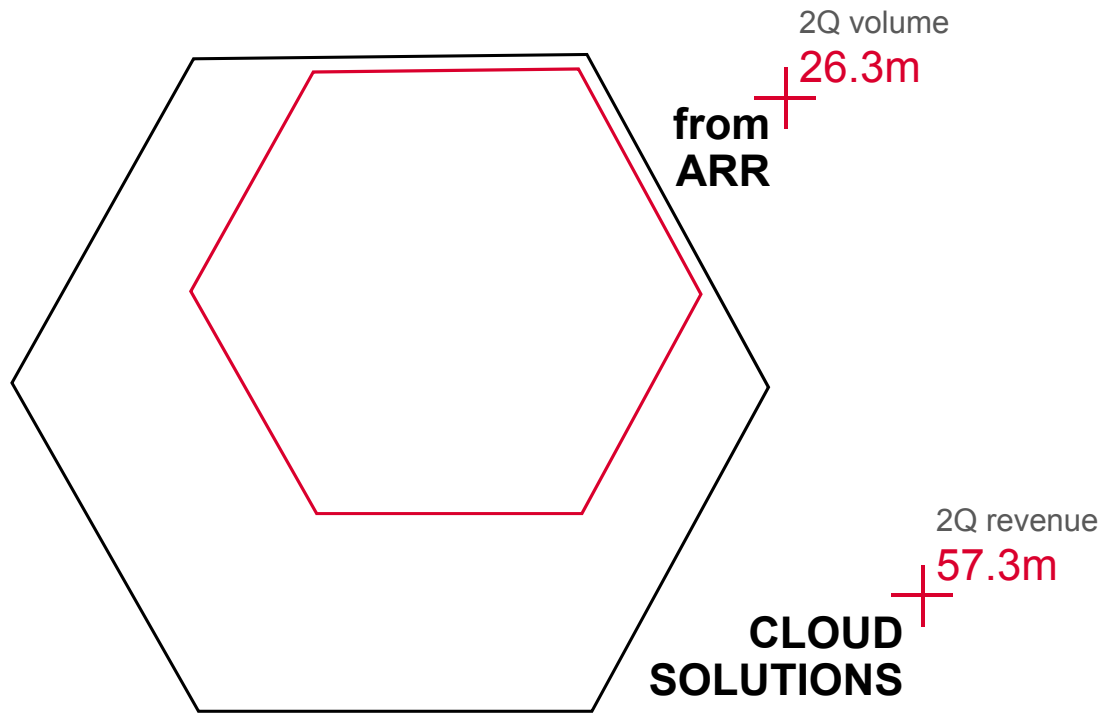


MAIN DRIVERS

Growth in revenue based on high customer demand and supported by acquisitions.
Profitability increased due to significant growth in Managed Service revenues.

⁵ ⁺ Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (1H 2018 total: EUR 1.7 million)

ANNUAL RECURRING REVENUES ON THE RISE



ARR VOLUME
(EUR) | **106m**
base: June 2018

ARR NET GROWTH | **+47%**
2Q.17 vs. 2Q.18

IT SOLUTIONS: ON TRACK FOR REACHING FULL YEAR TARGETS



Revenue development backed by stable IT demand and acquisitions.

MAIN DRIVERS

⁺ Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (1H 2018 total: EUR 1.6 million)

CANCOM

GROUP: 2Q SHOWS NICE MARGIN IMPROVEMENT



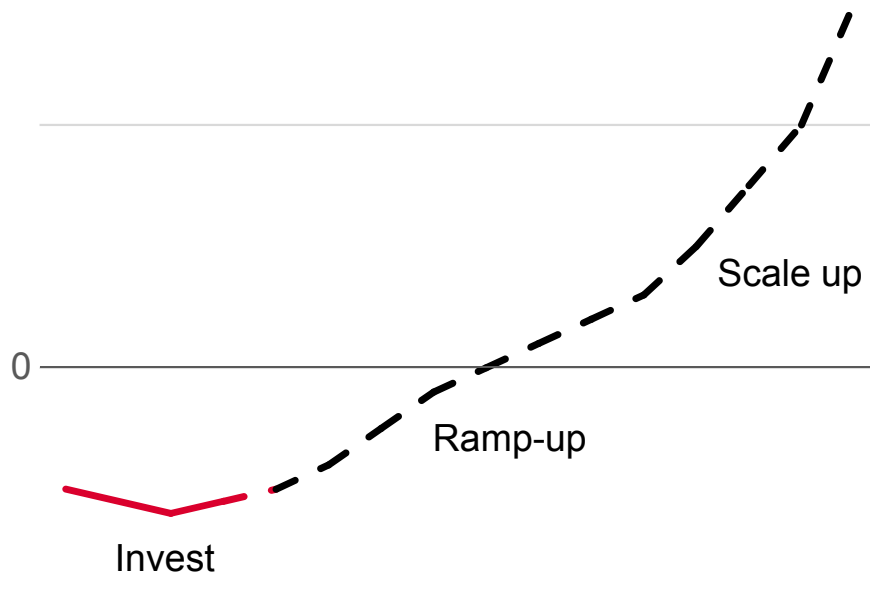
MAIN DRIVERS

Increased EBITDA and margin show rising influence of Cloud Solution segment as a consequence of the company's transformation process.

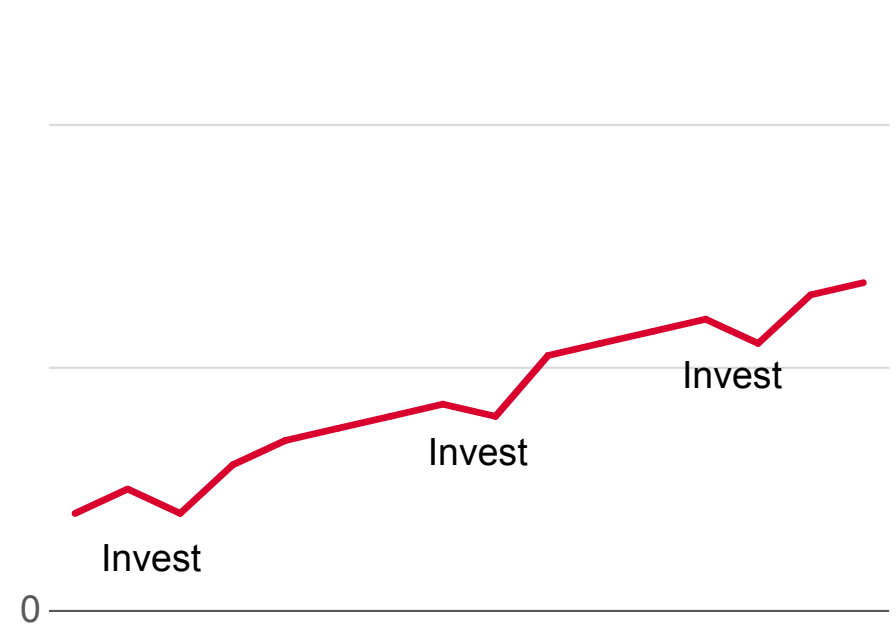
8 ⁺ Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (2Q 2018 total: EUR 3.3 million)

SPECIAL INVESTMENTS: TRANSFORM EARNINGS PROFILE TOWARDS HIGHLY SCALABLE CLOUD + SOFTWARE BUSINESS

Earnings model cloud + software business



Earnings model traditional IT business



SPECIAL INVESTMENTS: CLOUD + SOFTWARE BUSINESS CHANGE THE GAME FOR CANCOM

BUSINESS PROFILE

One-to-many service models,
standardised software products,
automated processes, partner sales.

WHY NOW?

Proven business cases available for:

- software (AHP)
- distribution (Cloud Marketplace)
- service delivery model
(shared managed services)

MARKET PROFILE

International clients, especially in
cloud-ready countries.
Potentially global outreach in software
business via sales partner network

WHAT FOR?

Separate CANCOM from legacy IT
product/service business models by
adding future-proof, recurring and
highly scalable revenue streams.

GROWTH PROFILE

Much more exponential compared to
rather linear growth of classical IT
business.

HOW MUCH?

FY 2018: around EUR 10 million.
Future volume decided on a year by
year basis, depending on progress.

FORECAST 2018 CONFIRMED

GROUP

Significant growth in:
Revenue, Gross profit, EBITDA, EBITA and EBIT.

CLOUD SOLUTIONS

Significant growth in:
Revenue, Gross profit, EBITDA, EBITA and EBIT.
Growth rates higher than those in IT Solutions segment.

IT SOLUTIONS

Significant growth in:
Revenue, Gross profit, EBITDA, EBITA and EBIT.

ACQUISITION OF OCSL



RATIONALE

OCSL has similar heritage and vision, starting as VAR now building a fast growing managed services business.
Substantial hub for international clients and UK IT market presence.

TRANS-ACTION

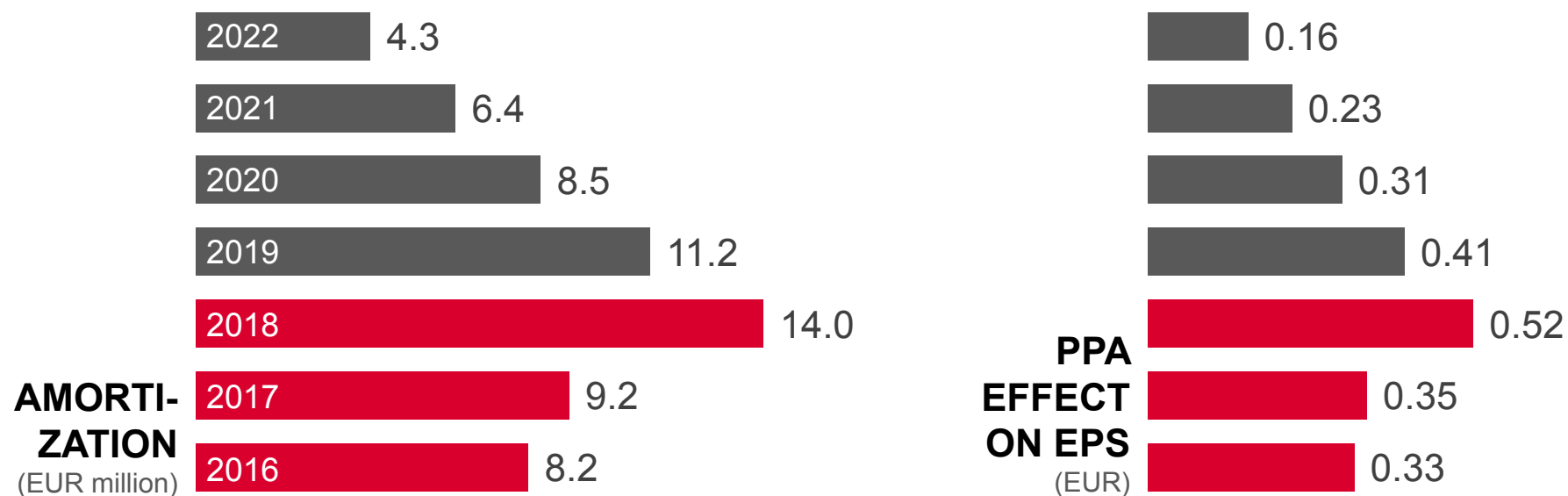
Volume: GBP 29 million (including property used by OCSL).
Cash component: GBP 26 million (paid out of group liquidity).
OCSL managers hold 12.5 percent of acquisition vehicle in UK.

KEY FIGURES

Annual revenues: GBP 70+ million.
EBITDA margin: 5.5 percent.

OUTLOOK ON IFRS AMORTIZATIONS FROM PPA (AS OF 30 JUNE 2018)

OCSL not included



CHANGES IN GROUP STRUCTURE IN 1H 2018

MERGERS

The following entities have been merged with other existing group companies to streamline the Group's structure and to reflect operational integration.

Antauris AG merged with CANCOM GmbH.

c.a.r.u.s. GmbH merged with CANCOM GmbH.

synaix Group's entities merged to one single entity.

MERGERS

CANCOM ICT Group's entities merged to one single entity.

OTHERS

Ocean Group renamed to CANCOM Communications & Collaboration to reflect its new position heading CANCOM's international UCC offering.



THANK YOU

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