

EARNINGS CALL

RESULTS 9M.2018

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CANCOM

**PLAN.
BUILD.
PERFORM.**

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LEGAL NOTICE

REVIEW 9M 2018

GROUP

High demand for a broad range of services and products drives positive 9M results.
Best quarterly result ever in Q3 2018 confirms optimistic outlook on FY 2018.
Integration of both UK acquisitions is making good progress.

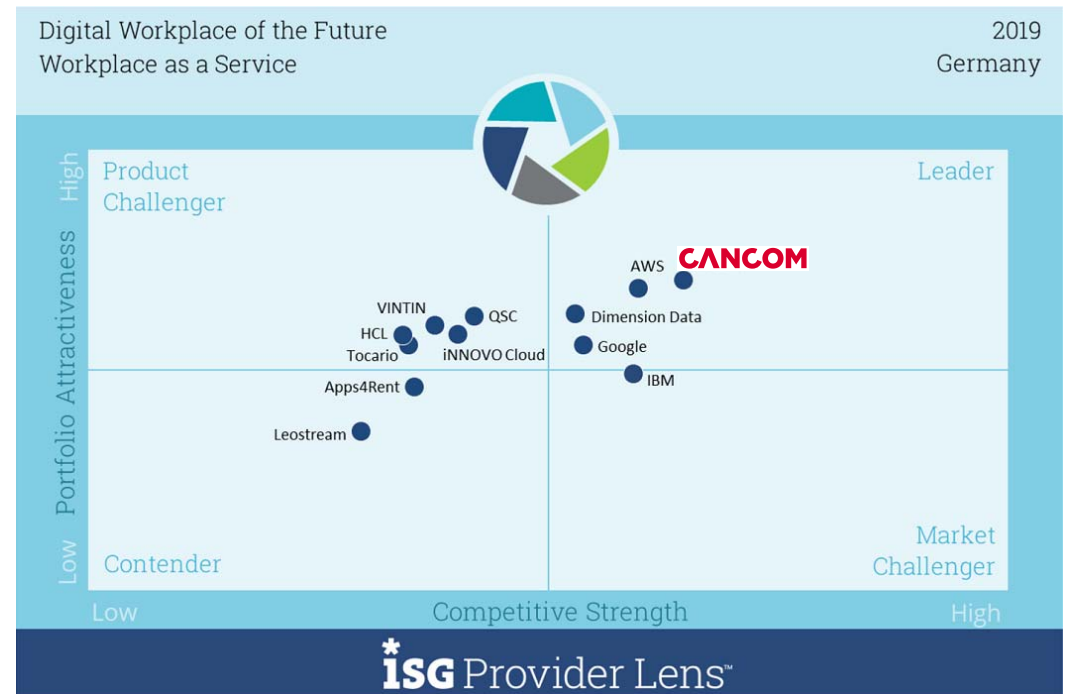
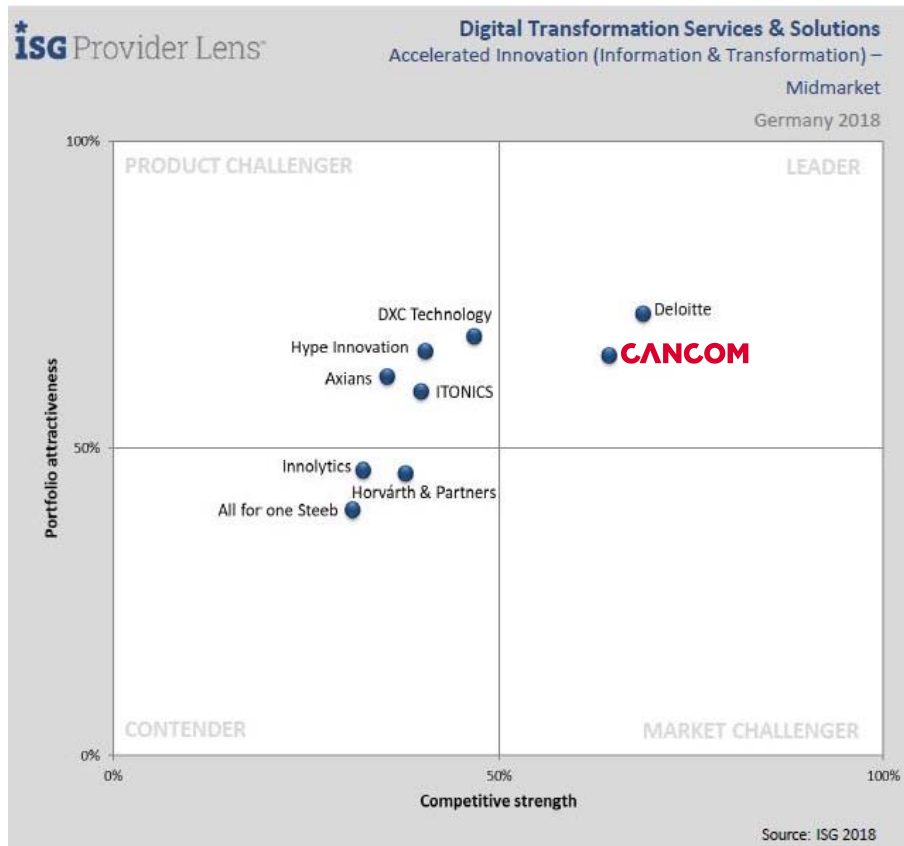
SEGMENTS

Transformation process in full swing:
- ARR on the rise
- Cloud Solutions generating more EBITDA (adj) than IT Solutions for the first time.

ACCOUNTING EFFECT

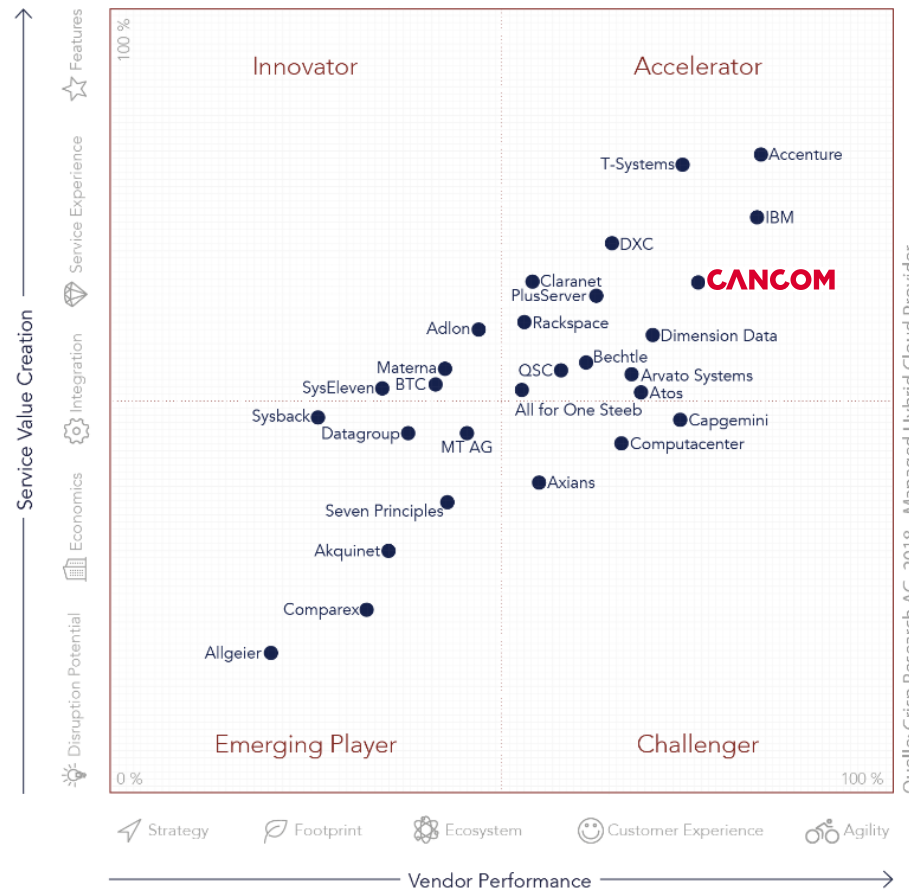
Initial application of IFRS 16 Leases leads to positive EBITDA effect in financial year 2018.
To ensure comparability, figures for 2017 have been aligned for this effect, too.
Negligible effects on EBITA, EBIT or profit for the period.

ESTABLISHED MARKET POSITION IN KEY BUSINESS AREAS



ESTABLISHED MARKET POSITION IN KEY BUSINESS AREAS

CRISP | Managed Hybrid Cloud Provider



Quelle: Crisp Research AG, 2018 - Managed Hybrid Cloud Provider

CLOUD SOLUTIONS: ARR ON THE RISE

ARR⁺
(EUR) | **125m**
Sept. 17: 86m

ARR GROWTH
(YoY) | **+45%**
Organic: 21%

ANNUAL RECURRING REVENUE

Key financial indicator for progress of strategic transformation of CANCOM.

High visibility and predictability of future revenue from Managed Service contracts due to average contract term of 3-5 years.

6 ⁺ Calculation: (Monthly revenue from multi-year Managed Services contracts with CANCOM owning SLA) x 12 = Annual Recurring Revenue **CANCOM**

GROUP: BEST QUARTERLY RESULT IN CANCOM HISTORY

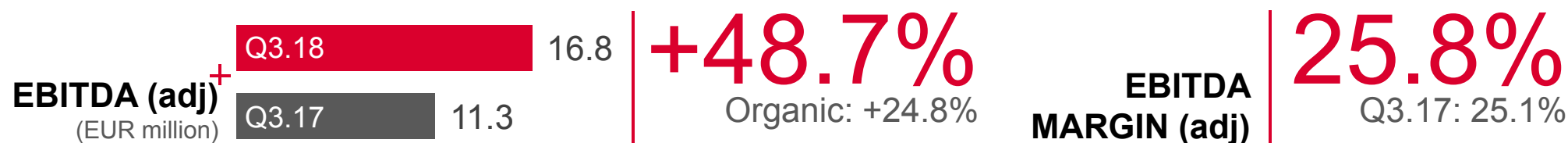


MAIN DRIVERS

Demand for broad range of services and products drive results plus spill-over from Q2.
Organic growth shows competitive strength and value creation potential of portfolio.
Acquisitions add to Q3 results, finally pushing them even beyond previous year's Q4 level.

⁺ Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (Q3.18 total: EUR 2.8 million)

CLOUD SOLUTIONS: DRIVING STRATEGIC TRANSFORMATION



MAIN DRIVERS

Segment stays on highly dynamic growth path based on demand for Managed Services. Acquisitions support segment's growth and the strategic transformation of the CANCOM Group as a whole.

⁸ ⁺ Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (Q3.18 total: EUR 1.1 million)

IT SOLUTIONS: GROWING MUCH FASTER THAN THE MARKET



MAIN DRIVERS

IT Solutions business shows competitive strength of portfolio and market position.

Organic growth rate demonstrates CANCOM's ability to grow much faster than the relevant IT market in general.

⁺ Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (Q3.18 total: EUR 0.1 million)

Q3: ADJUSTMENTS AND IFRS 16 EFFECT

Q3 2018	Group		Cloud Solutions	IT Solutions
EBITDA (adj)	29.5		16.8	16.2
Adjustment	2.8		1.1	0.1
EBITDA reported	26.7		15.7	16.1
IFRS 16 effect	2.1		0.6	1.5

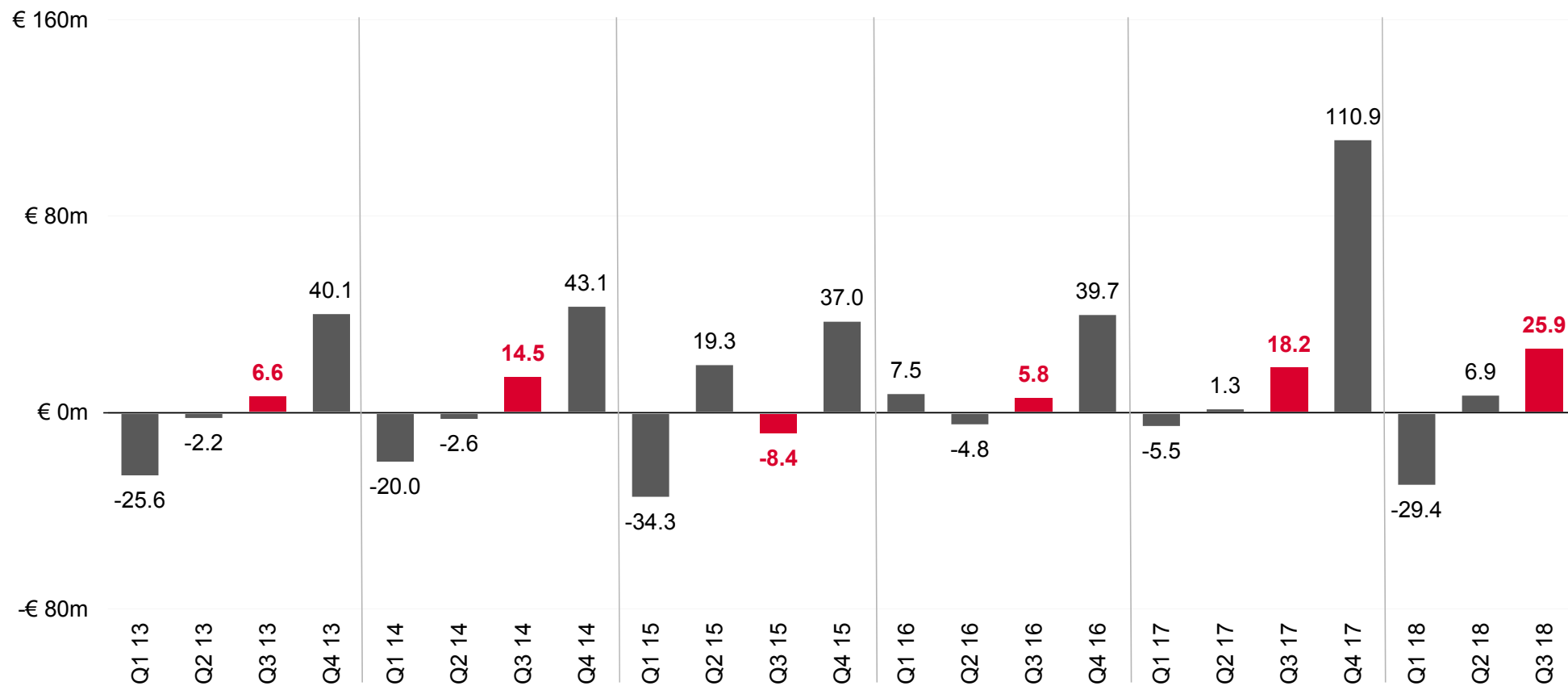
Q3 2017	Group		Cloud Solutions	IT Solutions
EBITDA (adj)	21.6		11.3	12.8
Adjustment	0		0	0
EBITDA reported	21.6		11.3	12.8
IFRS 16 effect	1.6		0.5	1.1
EBITDA 2017 reports	20.1		10.8	11.7

ADJUSTMENTS 2018

Group: Incidental M+A costs and related restructuring costs, stock option program.

Cloud Solutions: International resources and AHP Sales

SEASONALITY OF OPERATING CASH FLOW



GROUP: 9M RESULTS REINFORCE OPTIMISTIC FORECAST



MAIN DRIVERS

Strategic transformation progresses well with high growth rates in Cloud Solutions and rising ARR.

Organic growth rates underlines high level of competitiveness.

⁺ Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (9M 2018 total: EUR 7.2 million)

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CLOUD SOLUTIONS: HIGHLY DYNAMIC GROWTH CONTINUED



MAIN DRIVERS

Strong demand for Managed Services leading, amongst others, to rising recurring revenues.

Integration of UK acquisitions well on track.

⁺ Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (9M.18 total: EUR 3.1 million)

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IT SOLUTIONS: ON TRACK FOR REACHING FULL YEAR TARGETS



MAIN DRIVERS

High market presence and comprehensive product and service portfolio lead to healthy growth rates.

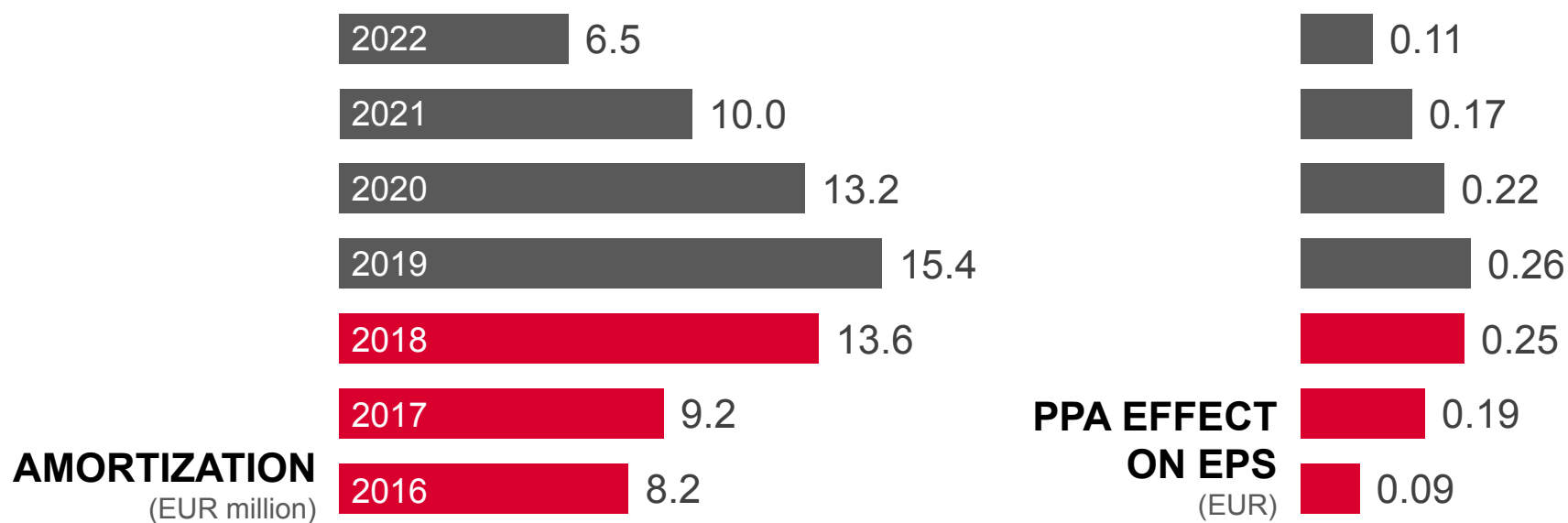
Sizeable UK market foothold established by acquiring OSCL Group.

⁺ Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (9M.18 total: EUR 1.5 million)

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

Preliminary
—
OCSL
included



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.



THANK YOU

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9M: ADJUSTMENTS AND IFRS 16 EFFECT

9M 2018			Cloud Solutions	IT Solutions
	Group			
EBITDA (adj)	78.2		44.1	42.9
Adjustment	7.2		3.1	1.5
EBITDA reported	71.0		41.0	41.4
IFRS 16 effect	6.1		1.7	4.4

9M 2017			Cloud Solutions	IT Solutions
	Group			
EBITDA (adj)	60.2		29.6	37.7
Adjustment	0		0	0
EBITDA reported	60.2		29.6	37.7
IFRS 16 effect	4.7		1.4	3.3
EBITDA 2017 reports	55.5		28.2	34.4

ADJUSTMENTS 2018

Group: Incidental M+A costs and related restructuring costs, stock option program.
 Cloud Solutions: International resources and R+D.
 IT Solutions: Restructuring costs

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.

TRANSACTION

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.