EARNINGS CALL

RESULTS 9M.2018

Thomas Volk, CEO
Thomas Stark, CFO
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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

![Graph showing market positioning of CRISP, CANCOM, and other providers in the managed hybrid cloud provider market. The graph categorizes providers into Innovator, Accelerator, Challenger, Emerging Player, and Service Value Creation. CANCOM is highlighted as a prominent player in the market.]
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.

Calculation: (Monthly revenue from multi-year Managed Services contracts with CANCOM owning SLA) x 12 = Annual Recurring Revenue
GROUP: BEST QUARTERLY RESULT IN CANCOM HISTORY

**Revenue (EUR million)**
- Q3.18: 355.2 (+30.1% Organic: +23.3%)
- Q3.17: 273.1

**EBITDA (adj) (EUR million)**
- Q3.18: 29.5 (+36.6% Organic: +25.5%)
- Q3.17: 21.6

**EBITDA Margin (adj)**
- Q3.18: 8.3%
- Q3.17: 7.9%

**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.

7 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

**REVENUE (EUR million)**
- Q3.18: 65.0
- Q3.17: 45.1

**EBITDA (adj) (EUR million)**
- Q3.18: 16.8
- Q3.17: 11.3

**EBITDA MARGIN (adj)**
- Q3.18: 25.8%
  - Organic: +24.8%
- Q3.17: 25.1%

**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.

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+ 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

**REVENUE** (EUR million)

- Q3.18: 290.2 (+27.3%)
- Q3.17: 227.9

Organic: +22.7%

**EBITDA (adj)** (EUR million)

- Q3.18: 16.2 (+26.6%)
- Q3.17: 12.8

Organic: +25.0%

**EBITDA MARGIN (adj)**

- Q3.18: 5.6%
- Q3.17: 5.6%

**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.

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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

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Cloud Solutions</th>
<th>IT Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (adj)</td>
<td>29.5</td>
<td>16.8</td>
<td>16.2</td>
</tr>
<tr>
<td>Adjustment</td>
<td>2.8</td>
<td>1.1</td>
<td>0.1</td>
</tr>
<tr>
<td>EBITDA reported</td>
<td>26.7</td>
<td>15.7</td>
<td>16.1</td>
</tr>
<tr>
<td>IFRS 16 effect</td>
<td>2.1</td>
<td>0.6</td>
<td>1.5</td>
</tr>
</tbody>
</table>

#### Q3 2017

<table>
<thead>
<tr>
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<th>Group</th>
<th>Cloud Solutions</th>
<th>IT Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (adj)</td>
<td>21.6</td>
<td>11.3</td>
<td>12.8</td>
</tr>
<tr>
<td>Adjustment</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>EBITDA reported</td>
<td>21.6</td>
<td>11.3</td>
<td>12.8</td>
</tr>
<tr>
<td>IFRS 16 effect</td>
<td>1.6</td>
<td>0.5</td>
<td>1.1</td>
</tr>
</tbody>
</table>

**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

€ 160m

€ 80m

€ 0m

-€ 80m

Q1 13 | Q2 13 | Q3 13 | Q4 13 | Q1 14 | Q2 14 | Q3 14 | Q4 14 | Q1 15 | Q2 15 | Q3 15 | Q4 15 | Q1 16 | Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17 | Q3 17 | Q4 17 | Q1 18 | Q2 18 | Q3 18

-25.6 | -2.2 | 6.6 | 40.1 | -20.0 | -2.6 | 14.5 | 43.1 | -34.3 | 19.3 | -8.4 | 37.0 | 7.5 | 5.8 | 39.7 | 1.3 | 18.2 | 110.9 | 6.9 | 25.9 |
GROUP: 9M RESULTS REINFORCE OPTIMISTIC FORECAST

**REVENUE**

<table>
<thead>
<tr>
<th>9M.18</th>
<th>963.7</th>
<th>+19.1%</th>
<th>Organic: +12.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M.17</td>
<td>809.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**EBITDA (adj)**

<table>
<thead>
<tr>
<th>9M.18</th>
<th>+29.9%</th>
<th>EBITDA MARGIN (adj)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M.17</td>
<td>78.2</td>
<td>8.1% 9M.17: 7.4%</td>
</tr>
<tr>
<td></td>
<td>60.2</td>
<td>Organic: +18.3%</td>
</tr>
</tbody>
</table>

**MAIN DRIVERs**

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

Organic growth rates underlines high level of competitiveness.

12+ Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (9M 2018 total: EUR 7.2 million)
CLOUD SOLUTIONS: HIGHLY DYNAMIC GROWTH CONTINUED

<table>
<thead>
<tr>
<th></th>
<th>9M.18</th>
<th>9M.17</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (EUR million)</td>
<td>174.4</td>
<td>124.8</td>
<td>+40.0%</td>
<td>Organic: +22.1%</td>
</tr>
<tr>
<td>EBITDA (adj) (EUR million)</td>
<td>44.1</td>
<td>29.6</td>
<td>+49.0%</td>
<td>Organic: +23.7%</td>
</tr>
</tbody>
</table>

**MAIN DRIVERS**

- Strong demand for Managed Services leading, amongst others, to rising recurring revenues.
- Integration of UK acquisitions well on track.

13 Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (9M.18 total: EUR 3.1 million)
IT SOLUTIONS: ON TRACK FOR REACHING FULL YEAR TARGETS

**Revenue**

<table>
<thead>
<tr>
<th></th>
<th>9M.17</th>
<th>9M.18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(EUR million)</td>
<td>684.1</td>
<td>789.0</td>
<td>+15.3%</td>
</tr>
<tr>
<td>Organic:</td>
<td></td>
<td></td>
<td>+10.3%</td>
</tr>
</tbody>
</table>

**EBITDA (adj)**

<table>
<thead>
<tr>
<th></th>
<th>9M.17</th>
<th>9M.18</th>
<th>Change</th>
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<tr>
<td>(EUR million)</td>
<td>37.7</td>
<td>42.9</td>
<td>+13.8%</td>
</tr>
<tr>
<td>Organic:</td>
<td></td>
<td></td>
<td>+13.8%</td>
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<tr>
<td>EBITDA Margin (adj)</td>
<td>5.4%</td>
<td>9M.17: 5.5%</td>
<td></td>
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**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.

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1. Adjusted by: Special investments in strategic growth projects and M+A incidental expenses (9M.18 total: EUR 1.5 million)
OUTLOOK ON IFRS AMORTIZATIONS FROM PPA (AS OF 30 SEPTEMBER 2018)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amortization (EUR million)</th>
<th>PPA Effect on EPS (EUR)</th>
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<tbody>
<tr>
<td>2022</td>
<td>6.5</td>
<td>0.11</td>
</tr>
<tr>
<td>2021</td>
<td>10.0</td>
<td>0.17</td>
</tr>
<tr>
<td>2020</td>
<td>13.2</td>
<td>0.22</td>
</tr>
<tr>
<td>2019</td>
<td>15.4</td>
<td>0.26</td>
</tr>
<tr>
<td>2018</td>
<td>13.6</td>
<td>0.25</td>
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<tr>
<td>2017</td>
<td>9.2</td>
<td>0.19</td>
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<tr>
<td>2016</td>
<td>8.2</td>
<td>0.09</td>
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</table>

Preliminary – OCSSL 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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+49 89 54054 5193
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<td>71.0</td>
<td>41.0</td>
<td>41.4</td>
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<tr>
<td>IFRS 16 effect</td>
<td>6.1</td>
<td>1.7</td>
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**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.