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Risks, uncertainties and assumptions include the need to address the many challenges facing CANCOM’s businesses; the competitive pressures faced by CANCOM’s businesses; risks associated with executing CANCOM’s strategy; the impact of macroeconomic and geopolitical trends and events; the protection of CANCOM’s intellectual property assets; the development and transition of new services and the enhancement of existing services to meet customer needs and respond to emerging technological trends; the execution and performance of contracts by CANCOM and its suppliers, customers and partners; the hiring and retention of employees; integration and other risks associated with business combination and investment transactions; and other risks that are described in CANCOM’s Annual Report for the financial year ended December 31, 2018.

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GROUP: FACTS + FIGURES

1992
Foundation

3,500+
Employees

40+
Locations in Europe and the U.S.

CANCOM
MANAGED SERVICES PROVIDER
SOFTWARE VENDOR
SYSTEM INTEGRATOR

€1.4bn
Revenues 2018

20,000+
Customers

MDAX
Frankfurt Stock Exchange
GROUP: TWO SEGMENTS WITH CROSS BENEFITS

CLOUD SOLUTIONS
Managed Services
Consulting, implementation and hosting
Service-related cloud infrastructure reselling

Software
AHP Enterprise Cloud

IT SOLUTIONS
Consulting and system design
System implementation and integration
IT infrastructure reselling
GROUP: A DECADE OF DYNAMIC GROWTH

**Revenue (EUR million)**
- 2018: 1,378.9
- 2017: 1,254.1
- 2016: 1,130.2
- 2015: 1,006.3
- 2014: 882.4
- 2013: 758.5
- 2012: 634.6
- 2011: 510.7
- 2010: 386.8
- 2009: 262.9
- 2008: 342.8

**EBITDA (adj) (EUR million)**
- 2018: 114.8
- 2017: 92.6
- 2016: 70.4
- 2015: 48.2
- 2014: 26.0
- 2013: 13.8
- 2012: 11.6
- 2011: 9.4
- 2010: 7.2
- 2009: 5.0
- 2008: 7.8

**EBITDA Margin (adj)**
- 2018: 8.3%
- 2008: 2.3%
CANCOM IS TRANSFORMING FROM SYSTEM HOUSE TO…

Portfolio typical system house

Reselling + Services
IT as a Concept

Consulting + Integration
IT as a Concept

Managed Services

Basic
Extended
Warranty (reactive)
Support
Technical Service (reactive)
Managed
Operational Responsibility (proactive)

Revenue: one-off

Revenue: recurring

Margin
Profitability

Customer Journey

6 | CANCOM
PROVIDER OF HYBRID IT, MANAGED SERVICES AND SOFTWARE

Reselling + Services
IT as a Concept

Consulting + Integration
IT as a Concept

Managed Services

Basic
Extended Warranty (reactive)

Support
Technical Service (reactive)

Managed
Operational Responsibility (proactive)

Managed XaaS
Operational Responsibility + IT/App Provisioning (proactive)

Software

Revenue: one-off

Portfolio typical system house

Revenue: recurring

Customer Journey

Margin

Profitability
COMPANIES NEED TO ACCELERATE DIGITALIZATION

...but there are many STOP signs:

- **CONTROL**: hybrid/multicloud IT environments
- **SECURE**: data flow and user access
- **STAY FLEXIBLE**: for new processes and software
- **SLOW MIGRATION**: of IT + business processes
AHP DELIVERS

...modern Digital Workspace with Self-Service App Store

...App Management and process automation

...Data Governance, Security and Compliance

...control over hybrid / multicloud environments
1. **Centralisation**
   Simplify IT + administrative tasks through a single pane of glass.

2. **Automation**
   Automate the deployment of infrastructure + processes.

3. **Onboarding**
   Empower non-IT staff to complete IT-related onboarding tasks.

4. **Investment Protection**
   Benefit from extended device lifecycles, CYOD + BYOD.

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1. **Auditability**
   Ensure corporate standards through policies, guidelines + workflows.

2. **Quality Assurance**
   Provide updates + migrations through a test, staging + productive landscape.

3. **License Management**
   Monitor license usage in order to comply with license agreements.

4. **Secure-By-Design**
   Ensure rollback + auditing for compliance by a release management framework.

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1. **Mobility**
   Launch hosted or shared desktop with any browser-enabled device.

2. **User Self-Service Portal**
   Consume applications + services from a pre-defined catalogue.

3. **User Account Services**
   Modulate account settings such as password + language.

4. **Familiarity**
   Enjoy an amazing user experience due to a persistent look + feel.

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1. **Service Connectivity**
   Integrate various infrastructure, services + apps through API.

2. **Infrastructure**
   Integrate with selected composable infrastructure platforms.

3. **Applications + Services**
   Consume legacy + modern applications, as well as SaaS subscriptions.

4. **Deployment**
   Choose deployment model which suits needs best.
FINANCIALS 2019
GROUP: H1 2019 SHOWS CONTINUED MARKET SHARE GAINS

**Revenue (EUR million)**
- H1.19: 608.5
- H1.18: 791.8

**EBITDA (adj)* (EUR million)**
- H1.19: 791.8
- H1.18: 608.5

**EBITDA Margin (adj)**
- H1.19: 7.4%
- H1.18: 8.0%

**Main Drivers**
- Market share gains in a competitive environment and further market consolidation.

*Adjustment: Special investments in strategic transformation, incidental M+A costs and stock option program (H1.19 total: EUR 5.4m)
CLOUD SOLUTIONS: VERY STRONG PERFORMANCE YET AGAIN

**Revenue**

<table>
<thead>
<tr>
<th>Period</th>
<th>EUR million</th>
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<tbody>
<tr>
<td>H1.18</td>
<td>109.7</td>
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<tr>
<td>H1.19</td>
<td>136.9</td>
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</tbody>
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Organic: +15.8%

**EBITDA (adj)**

<table>
<thead>
<tr>
<th>Period</th>
<th>EUR million</th>
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<tbody>
<tr>
<td>H1.18</td>
<td>27.3</td>
</tr>
<tr>
<td>H1.19</td>
<td>35.4</td>
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</table>

Organic: +19.0%

**EBITDA Margin (adj)**

<table>
<thead>
<tr>
<th>Period</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>H1.18</td>
<td>24.9%</td>
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<tr>
<td>H1.19</td>
<td>29.7%</td>
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**Main Drivers**

Ongoing transformation of IT delivery mode towards public cloud and X-as-a-Service concepts drives growth and profits.

*Adjustment: Special investments in strategic transformation (H1.19 total: EUR 3.5m)*
## IT SOLUTIONS: EXTRAORDINARY GROWTH RATES IN H1

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<thead>
<tr>
<th></th>
<th>H1.18</th>
<th>H1.19</th>
<th>Change</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>498.8</td>
<td>654.9</td>
<td>+31.3%</td>
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<tr>
<td>Organic:</td>
<td>5.4%</td>
<td>6.7%</td>
<td>+23.3%</td>
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<th>H1.18</th>
<th>H1.19</th>
<th>Change</th>
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<tr>
<td>EBITDA (adj)*</td>
<td>26.7</td>
<td>31.0</td>
<td>+16.1%</td>
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<tr>
<td>Organic:</td>
<td>6.7%</td>
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<td>+6.7%</td>
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**EBITDA MARGIN (adj)**

- **H1.18**: 5.4%
- **H1.19**: +4.7%

### Main Drivers

- High IT spending of customers in public sector and healthcare sector.
- Focus on Edge Computing is additional growth driver.

*Adjustment: Special investments in strategic transformation (H1.19 total: EUR 0.6m)
STRATEGIC TRANSFORMATION PROGRESSES WELL IN FIRST HALF OF 2019

**ARR***
(EUR million)

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<td>IT Solutions</td>
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<td>125</td>
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<td>140</td>
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<tr>
<td>Cloud Solutions</td>
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**YoY growth**
+38%
Organic: 17%

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

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*Annual Recurring Revenue = (Monthly revenue from multi-year services contracts with CANCOM owning SLA) x 12 months*
OPERATING CASH FLOW: IMPROVED BY EUR 16M IN H1

in EUR million

FY.18: 81.5m

Operating Cash Flow

-6.8m
H1.18: -22.5m

FY.19e: +20%

-29.4
6.9
25.9
78.5
-21.5
14.7
Q1.18
Q2.18
Q3.18
Q4.18
Q1.19
Q2.19
Q3.19
Q4.19

Cash + cash equivalents
EUR 100.5m
Current loans
EUR 6.3m
Non-current loans
EUR 2.4m
Net Cash
EUR 91.8m
FORECAST 2019: TARGETS RAISED DUE TO H1 RESULTS

**GROUP**

New forecast: Very significant growth in revenue, gross profit, EBITDA and EBITA. Unchanged: Special investments will continue at similar level as last year.

**CLOUD SOLUTIONS**

New forecast: Very significant growth in revenue, gross profit, EBITDA and EBITA. Growth rates higher than those in IT Solutions segment. Unchanged: ARR is to rise very significantly.

**IT SOLUTIONS**

New forecast: Very significant growth in revenue, gross profit, EBITDA and EBITA.
VISION: CANCOM IN TWO TO FOUR YEARS

EBITDA (adj) (EUR million)

- 2018: 115
- 2-4 years: 200

EBITDA MARGIN (adj)

- 2018: 8.3%
- Adjusted: 10%+
THANK YOU

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