EARNINGS CALL

RESULTS 2018

Thomas Volk, CEO
Thomas Stark, CFO

CANCOM

PLAN.
BUILD.
PERFORM.

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SIGNIFICANT EVENTS 2018

GROUP

Continued high demand for broad range of services and products in both Cloud Solutions and IT Solutions segment.

Acquisition of two UK companies.

INVESTMENTS

Special investment focus on Cloud Solutions to build dedicated AHP/Managed Services sales and R+D structures and intensify strategic transformation of CANCOM.

New Service Factory in Jettingen-Scheppach put into operation.

ACCOUNTING EFFECT

Initial application of IFRS 16 accounting standard in financial year 2018. To ensure comparison, figures for 2017 have been aligned to this effect.

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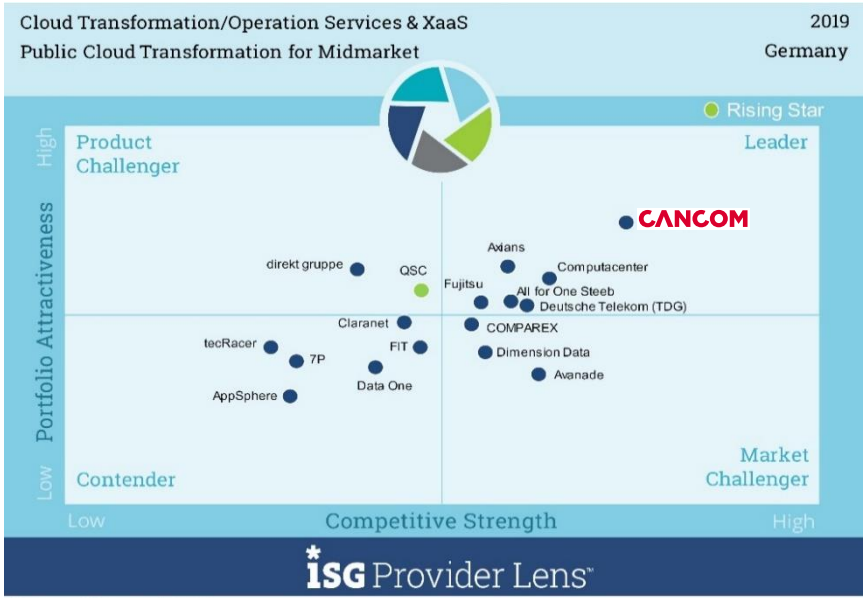
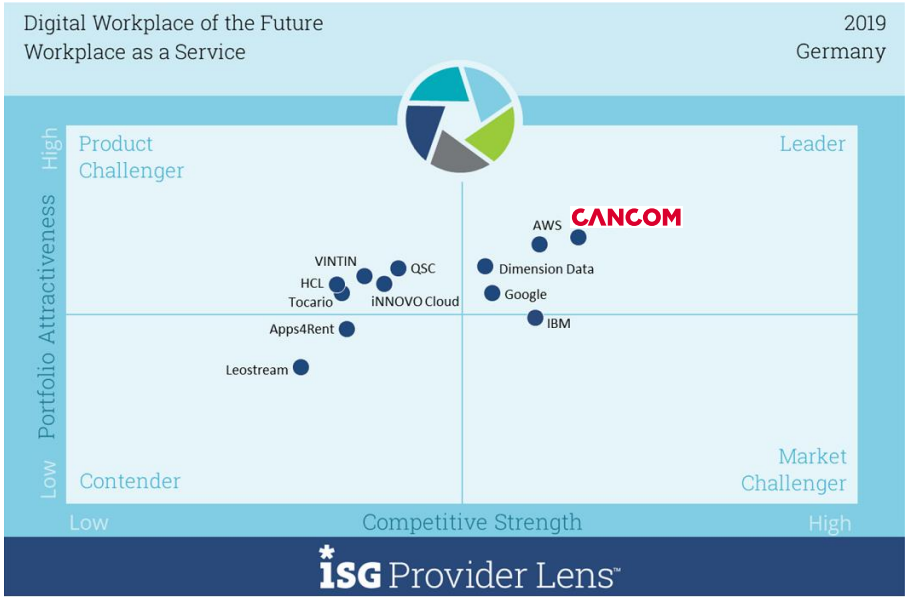
EXCELLENT MARKET POSITION IN KEY BUSINESS AREAS





Source: ISG Research 2018

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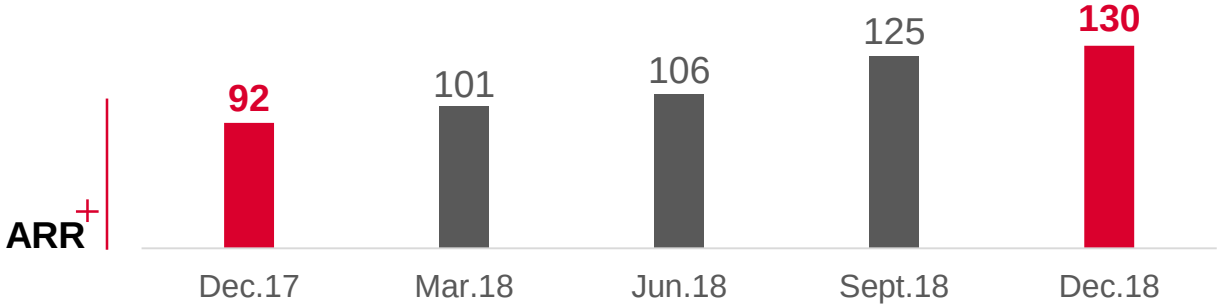
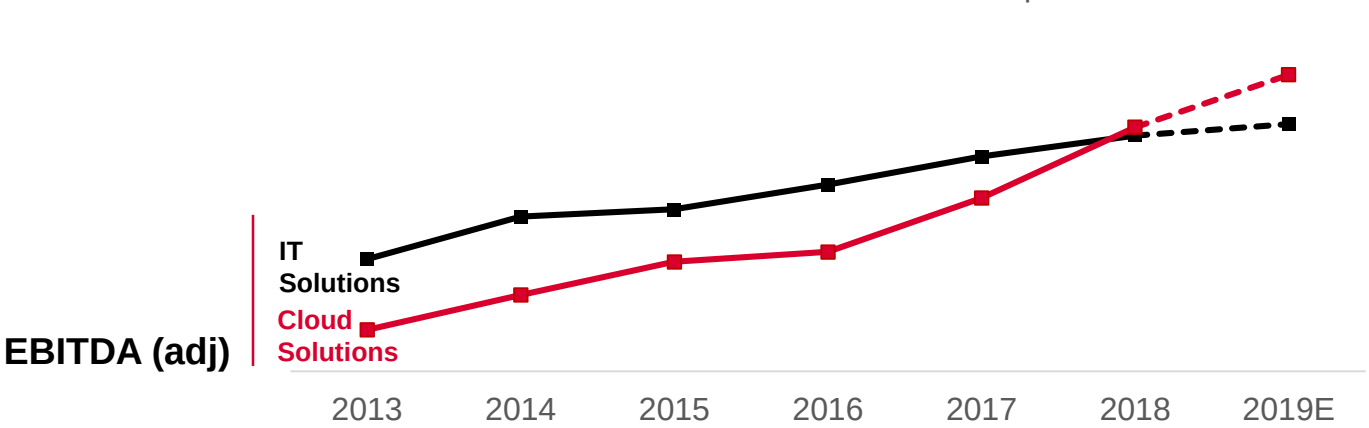
TRANSITION TO LEADING DIGITAL TRANSFORMATION PARTNER PROGRESSES WELL



YoY

+41%

Organic: 15%



Cloud Solutions

64.1m

FY.2018

IT Solutions

62.0m

FY.2018

5 + Annual Recurring Revenue = (Monthly revenue from multi-year Managed Services contracts with CANCOM owning SLA) x 12 months

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GROUP: 2018 RESULTS SHOW CONTINUED STRENGTH

REVENUE
(EUR million)

+18.7%
Organic: +12.1%

"Continued market share gains"

EBITDA (adj)[+]
(EUR million)

+24.0%
Organic: +14.0%

"Continued outperformance of competition"

EBITDA MARGIN (adj)

8.3%
2017: 8.0%

MAIN DRIVERS

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

Diversified and competitive product and service portfolio supports organic growth.

[+] Adjustment: Special investments in strategic transformation, incidental M+A costs and stock option program (FY.2018 total: EUR 9.9m)

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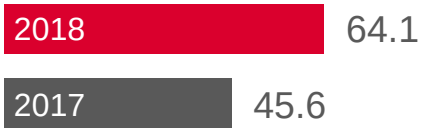
CLOUD SOLUTIONS DELIVERS ON HIGH EXPECTATIONS

REVENUE
(EUR million)

+33.0%
Organic: +17.2%

EBITDA (adj)[+]
(EUR million)



+40.6%
Organic: +18.9%

EBITDA MARGIN (adj)

26.4%
2017: 25.0%

MAIN DRIVERS

Ongoing demand for Managed Services leads to very dynamic business development.

Integration of UK acquisitions well on track, especially enriching existing service portfolio in the field of Unified Communication + Collaboration.

[+] Adjustment: Special investments in strategic transformation, incidental M+A costs and stock option program (FY.2018 total: EUR 4.1m)

IT SOLUTIONS: HEALTHY BACKBONE OF THE BUSINESS

REVENUE
(EUR million)

+16.1%
Organic: +11.2%

EBITDA (adj)[+]
(EUR million)

+10.1%
Organic: +9.9%

EBITDA MARGIN (adj)

5.5%
2017: 5.8%

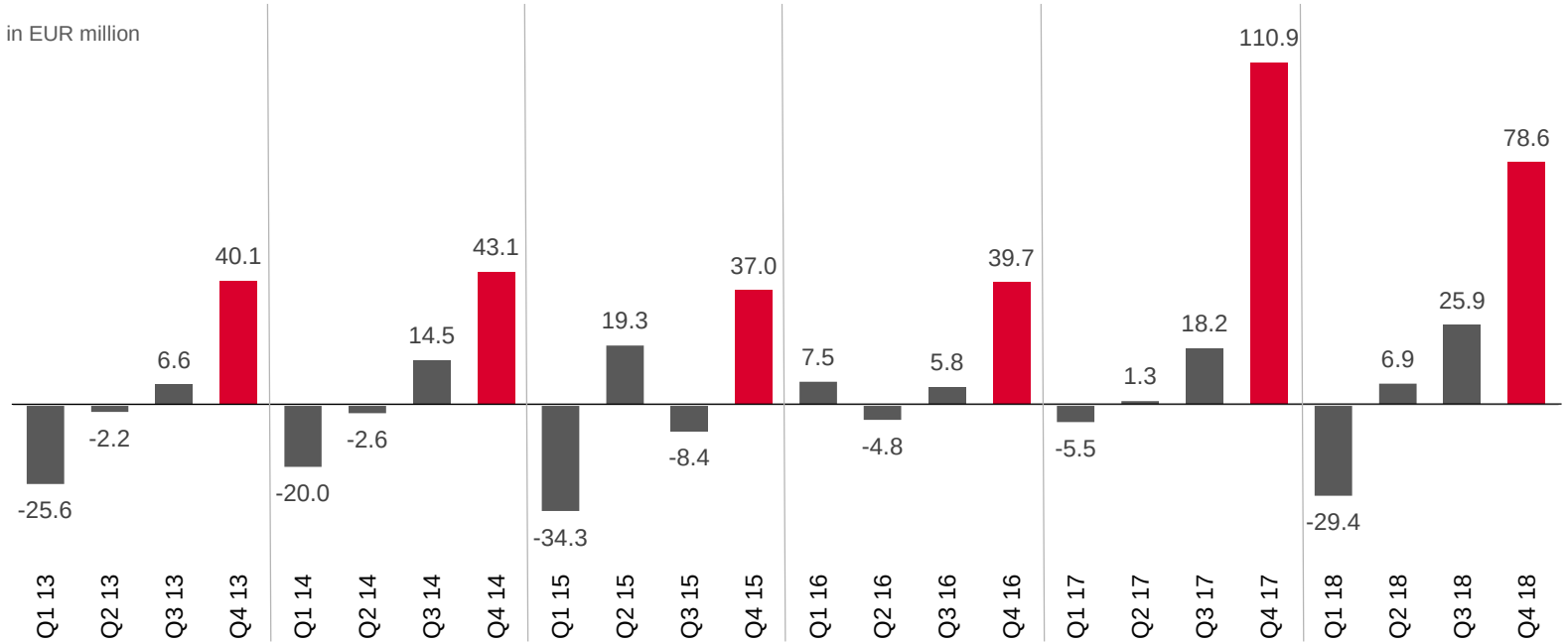
MAIN DRIVERS

High growth in system integration and IT reselling shows continued gain of market share.

Sizeable UK market foothold established by acquiring OSCL Group, adding more than 500 customers.

[+] Adjustment: Special investments in strategic transformation, incidental M+A costs and stock option program (FY.2018 total: EUR 1.8m)

OPERATING CASH FLOW SUBSTANTIALLY IMPROVED



Cash + cash equivalents	€ 135.2m	Accounts receivable from financial institutions	€ 0.0m	Long-term financial assets	€ 4.0m	**Total** [Net cash]	**€ 139.2m** [€ 133.2m]

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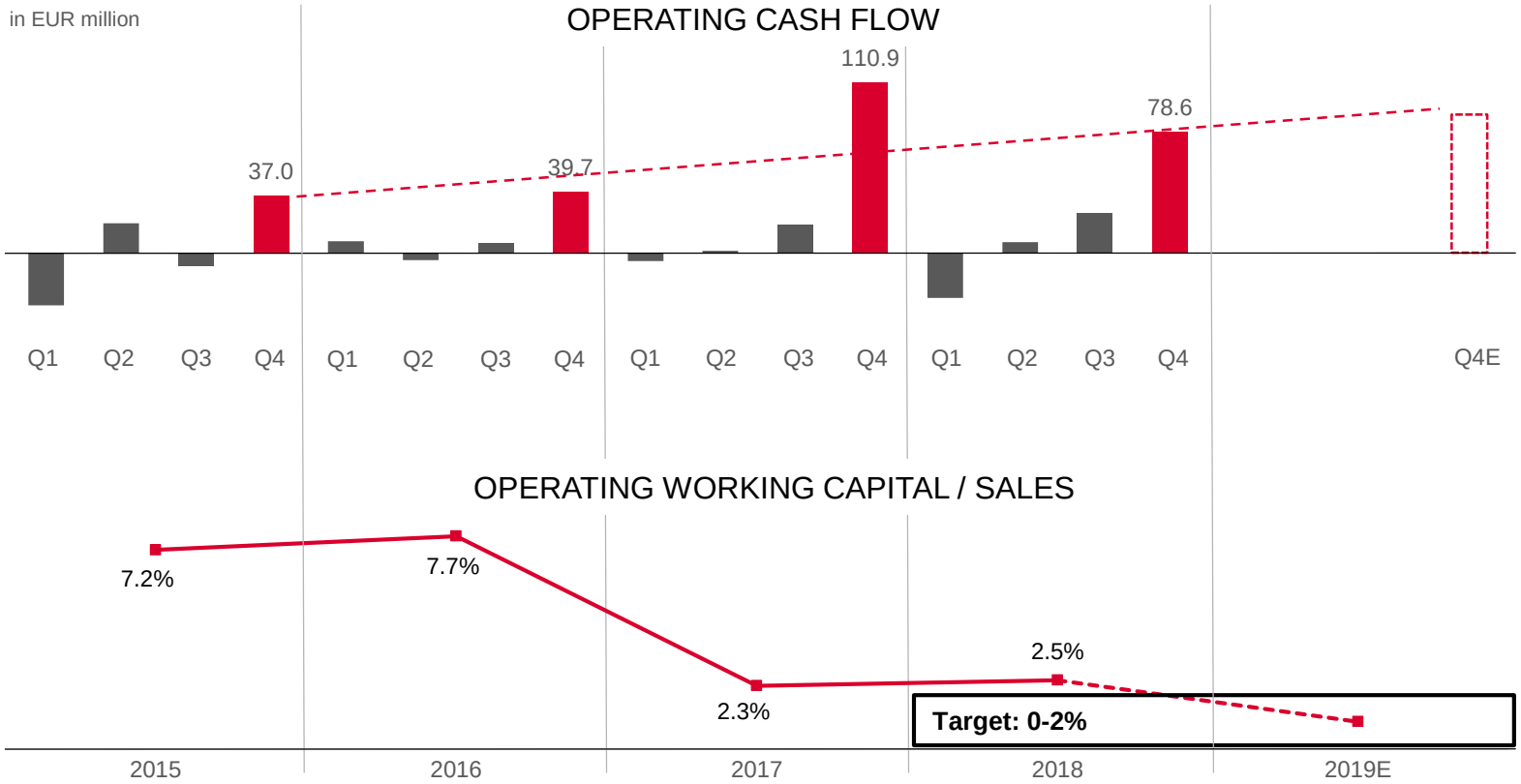
OPERATING CASH FLOW AND OPERATING WORKING CAPITAL



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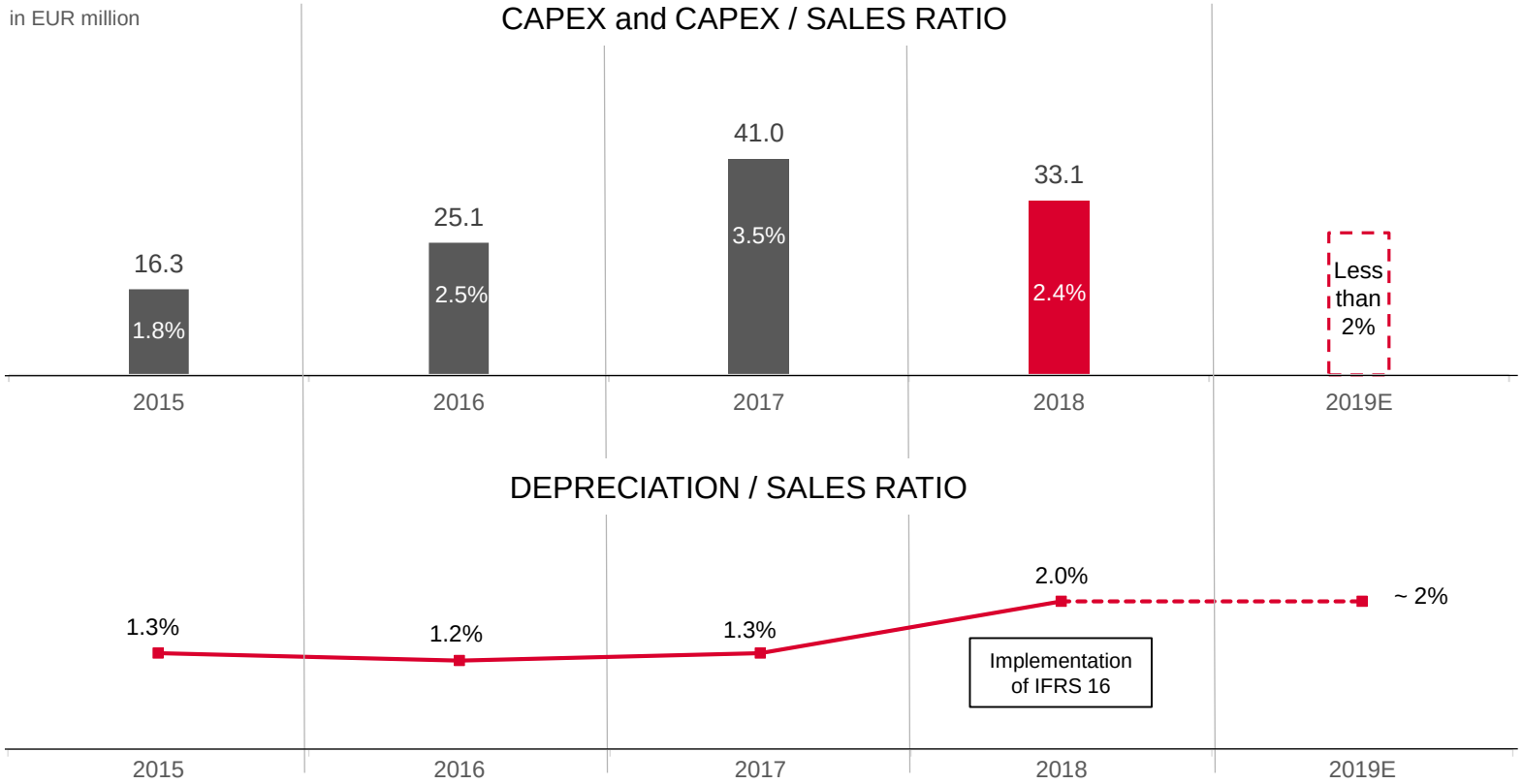
CAPEX AND DEPRECIATION



FY.2018: ADJUSTMENTS AND IFRS 16 EFFECT

2018	**Group**	Cloud Solutions	IT Solutions
EBITDA (adj)	**114.8**	**64.1**	**62.0**
thereof adjustment	9.9	4.1	1.7
EBITDA	104.9	60.0	60.3
thereof IFRS 16 effect	8.8	2.6	6.1

2017	**Group**	Cloud Solutions	IT Solutions
EBITDA (adj)	**92.6**	**45.6**	**56.3**
thereof adjustment	0	0	0
EBITDA	92.6	45.6	56.3
thereof IFRS 16 effect	8.1	2.4	5.7
EBITDA in 2017 reports	*84.5*	*43.2*	*50.6*

ADJUSTMENTS 2018

Group: Incidental M+A costs, strategic transformation investments, stock option program.

Cloud Solutions: Internationalization and R+D resources.

IT Solutions: Transition costs.

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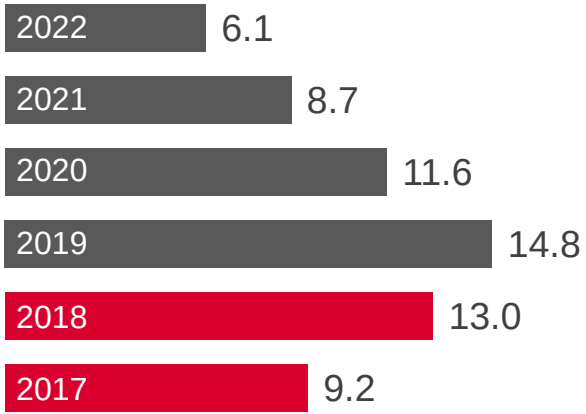
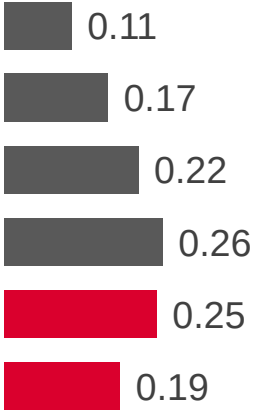
OUTLOOK ON IFRS AMORTIZATIONS FROM PPA

(AS OF 31 DECEMBER 2018)

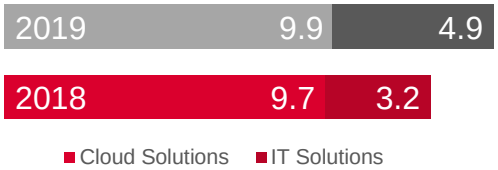
AMORTIZATION
(EUR million)



PPA EFFECT ON EPS
(EUR)



AMORTIZATION
SEGMENT SPLIT
(EUR million)



FORECAST 2019

GROUP

Significant growth in: Revenue, gross profit, EBITDA and EBITA.

Special investments of around last years' amount.

CLOUD SOLUTIONS

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

ARR is to rise very significantly.

IT SOLUTIONS

Significant growth in: Revenue, gross profit, EBITDA and EBITA.

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THANK YOU

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