



**THE LEADING
DIGITAL TRANSFORMATION
PARTNER**

Earnings Call FY.19

5 May 2020

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LEGAL NOTICE

SIGNIFICANT EVENTS 2019

GROUP

Double digit growth rates in revenue and EBITDA.

ARR grew by 41.3 percent now representing around 12 percent of total group revenue.

Capital increase in December 2019 enlarging cash position for M+A activities.

CLOUD SOLUTIONS

Very significant growth rates show strong demand for CANCOM's service portfolio.

Cloud Solutions delivers 18 percent more EBITDA than IT Solutions segment, highlighting the successful transformation of CANCOM into a managed service provider.

ACQUISITION

Acquisition of managed services specialist Novosco (UK).

Rationale: Enrich managed services capabilities of the Group, expand footprint in UK and enter Irish market.

UK-BASED MANAGED SERVICES PROVIDER ACQUIRED



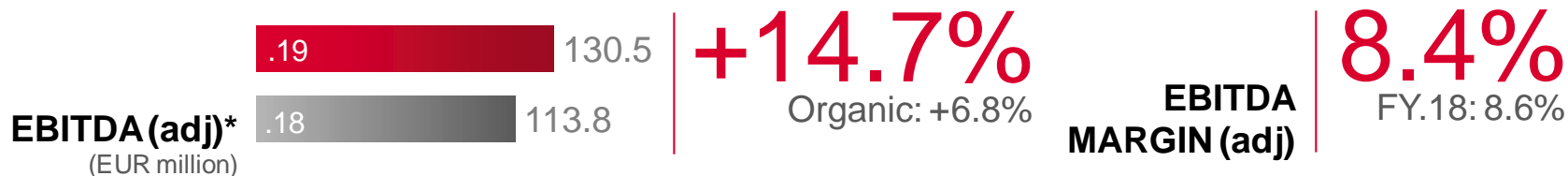
NOVOSCO

Offers Managed Services and Solutions for IT infrastructure.

Revenue: GBP 55m, EBITDA margin: 17%.

Cash payment in 2019 and 2020 totalling EUR 70m.

GROUP: DOUBLE DIGIT GROWTH PATH REMAINS INTACT

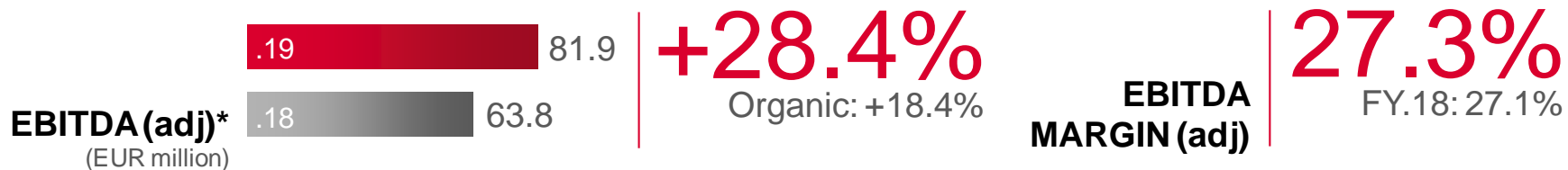


MAIN DRIVERS

Growth rates underline customers' need for a partner with CANCOM's strategic set-up. Cloud Solutions generated 57 percent of EBITDA (adj), substantially overtaking IT Solutions for the first time (43 percent of EBITDA (adj)).

*Adjustment: Special investments in strategic transformation and one-off profits (FY.19: 11.3m).

CLOUD SOLUTIONS: HIGHLY DYNAMIC DEVELOPMENT



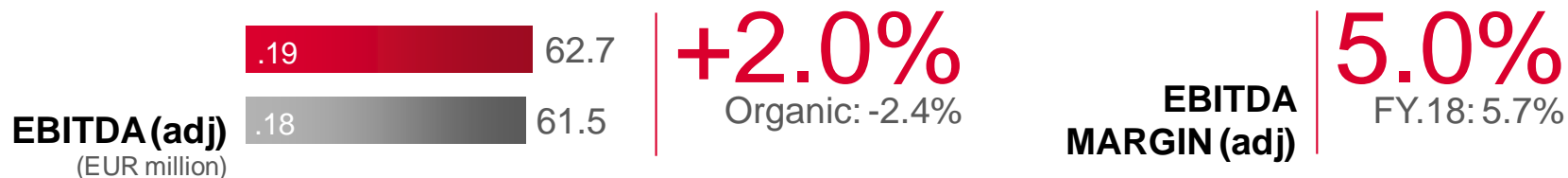
MAIN DRIVERS

Continued investment of customers into digital transformation drives demand for managed services.

Service portfolio enables to capitalize on current XaaS trend.

*Adjustment: Special investments in strategic transformation (FY.19: 8.9m)

IT SOLUTIONS: VERY SIGNIFICANT GROWTH BUT MARGINS UNDER PRESSURE

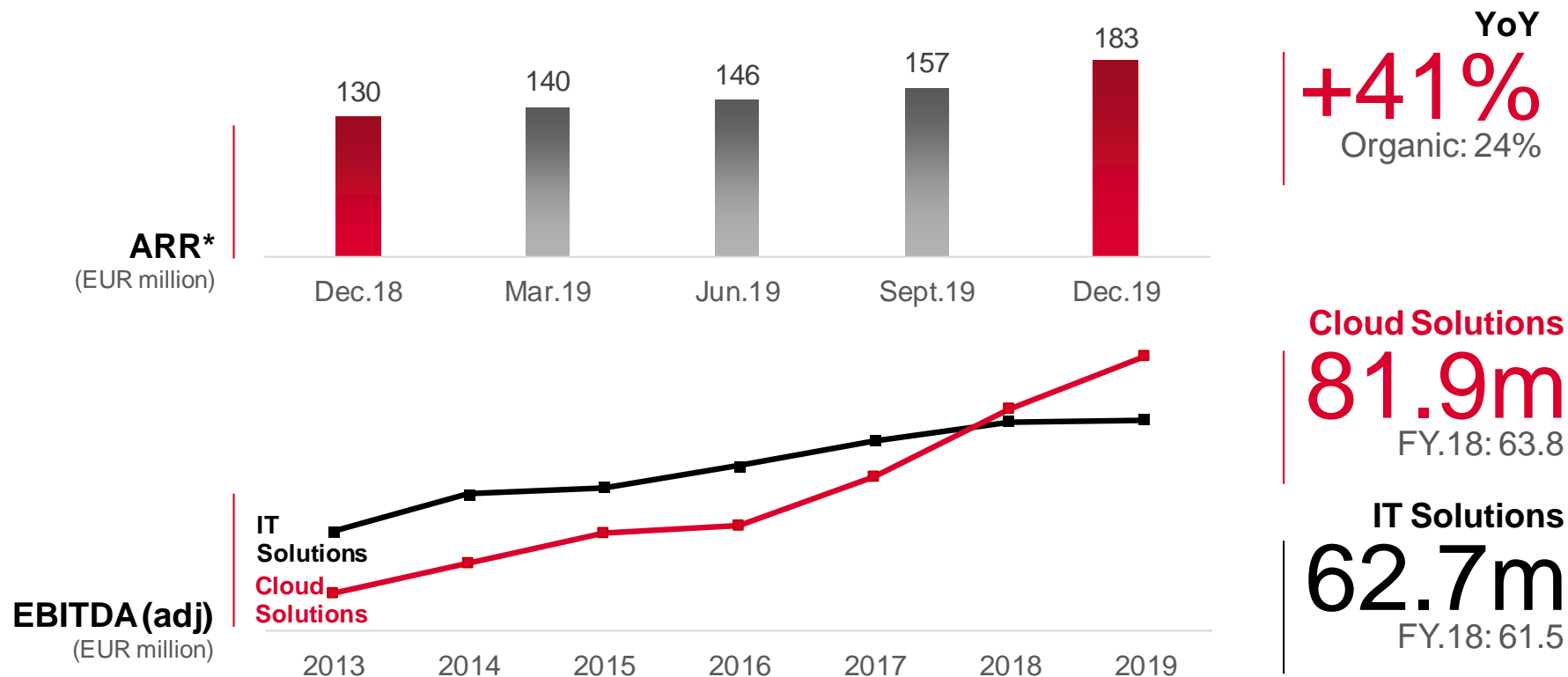


MAIN DRIVERS

High growth in hardware and software sales but lower margins.

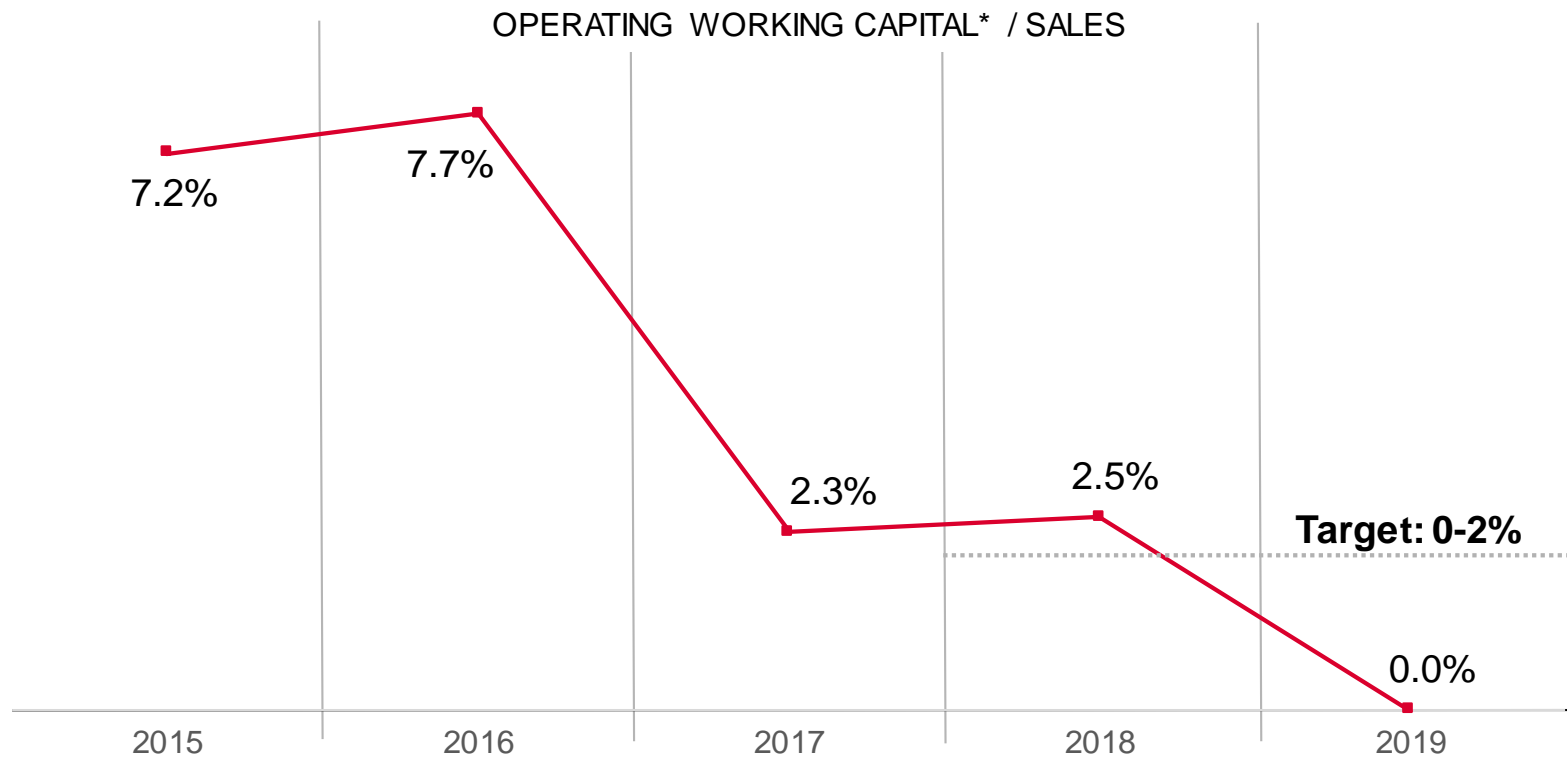
*Adjustment: Special investments in strategic transformation (FY.19: 0.7m)

STRATEGIC TRANSFORMATION PROGRESSES WELL



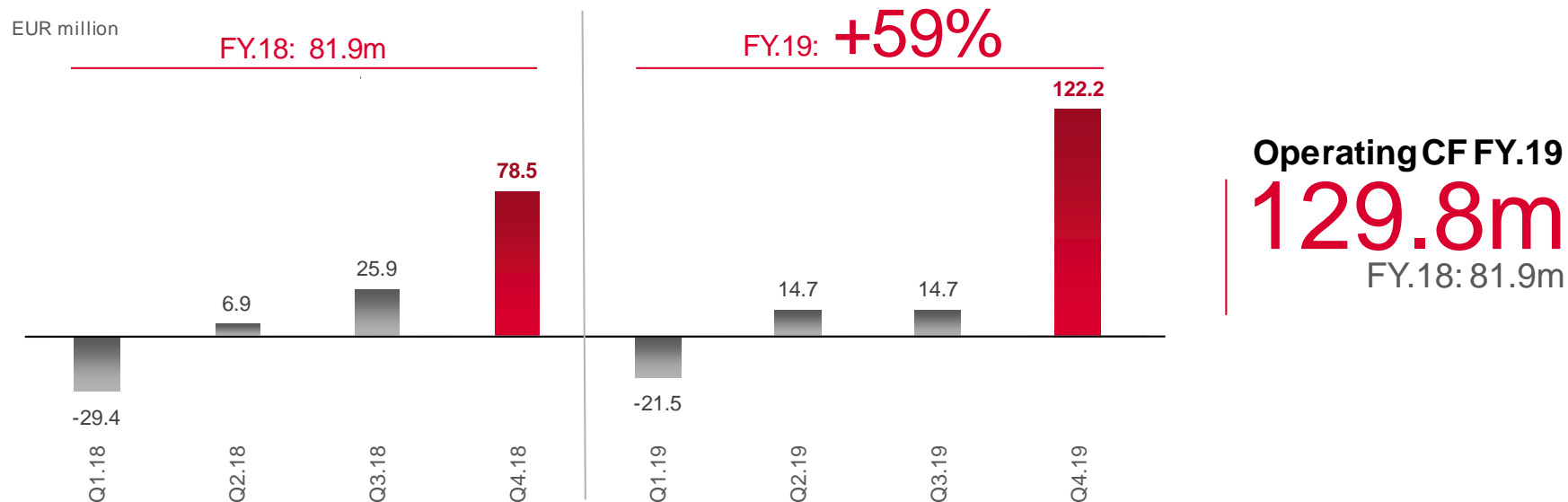
*Annual Recurring Revenue = (Monthly revenue from multi-year Managed Services contracts with CANCOM owning SLA) x 12 months

OWC RATIO AT ZERO



*OWC = (Trade account receivables + inventories) – Trade account payables

OPERATING CASH FLOW: FY.19 DELIVERS VERY STRONG IMPROVEMENT



31 Dec. 2019

Cash + cash equivalents

EUR 364.9m

Current loans

EUR 7.2m

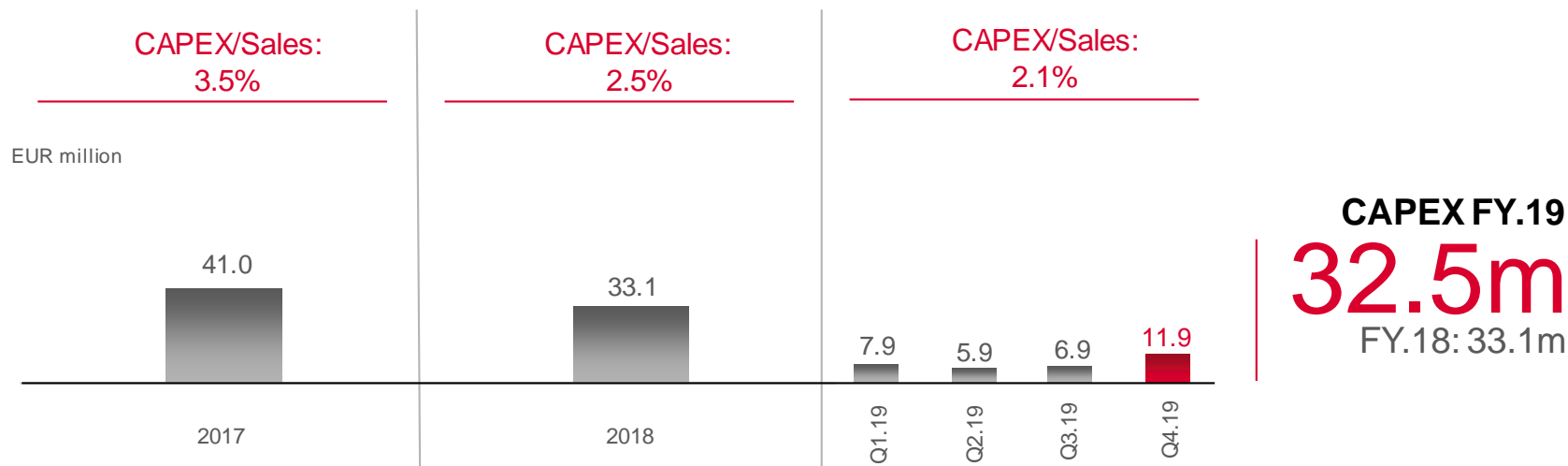
Non-current loans

EUR 0.2m

Net Cash

EUR 357.5m

CAPEX: REDUCTION AS PLANNED



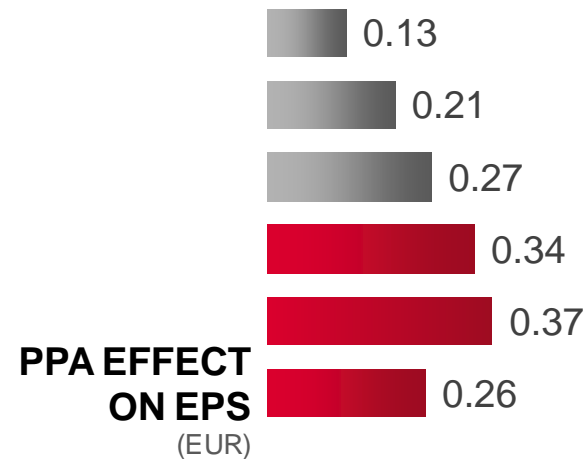
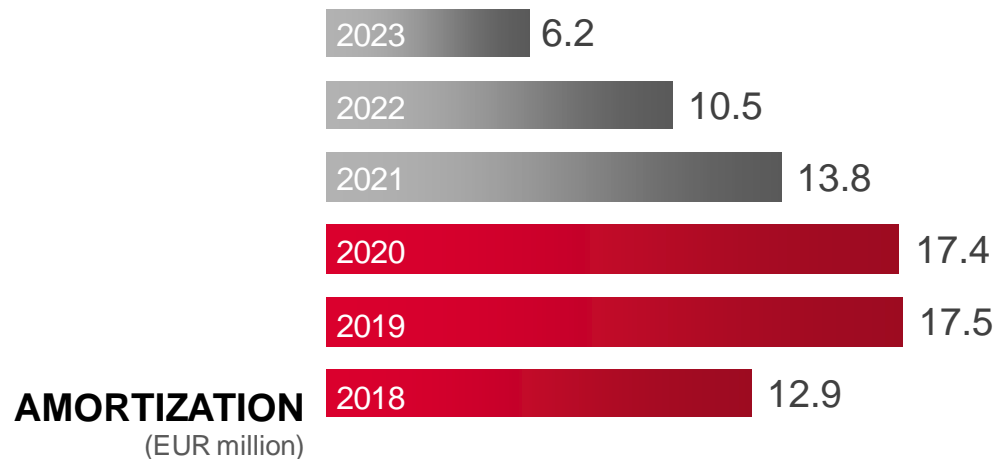
TARGET

CAPEX lower than in prior years and influenced by one-off in Q4.19.

Target for CAPEX/Sales ratio met in 2019; IFRS 15 reclassification leads to slightly higher ratio.

OUTLOOK ON IFRS AMORTIZATIONS FROM PPA

(AS OF 31 DECEMBER 2019)



MAJOR FINANCIAL ONE-OFF EFFECTS 2019

IFRS 15

Reclassification of 2018 and 2019 revenue due to new classification of CANCOM being principal or agent in certain transactions.

Amortization and financial result

Operational development of US subsidiary HPM Inc. lead to one-time impairment of goodwill of EUR 13.3m.

Financial results - treatment of options.

Other

Sale-and-Leaseback of logistics facility in Jettingen-Scheppach.

Discontinued Operations – out-of-court settlement.

Tax benefit from EU decision.

FINANCIAL CALENDAR

2020

18 June	Interim report as of 31 March 2020
30 June	Annual General Meeting, Munich (online event)
13 August	Half-year financial report
12 November	Interim report as of 30 September 2020
16-18 November	Analyst conference as part of the German Equity Forum, Frankfurt/Main

FORECAST FY.20: RISKS AND OPPORTUNITIES – A BALANCED OUTLOOK

GROUP

Trend towards digitalization remains intact in all CANCOM markets, but high uncertainty with regard to Corona effects on client base and supply chain.

Moderate growth in revenue, gross profit, EBITDA and EBITA.

CLOUD SOLUTIONS

Significant growth in revenue, gross profit, EBITDA and EBITA.

Significant growth in Annual Recurring Revenue (ARR) compared to status of December 2019.

IT SOLUTIONS

Moderate growth in revenue, gross profit, EBITDA and EBITA.



THANK YOU

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FY2019: EBITDA ADJUSTMENTS

FY2019	Group		Cloud Solutions	IT Solutions
EBITDA (adj)	130.5		81.9	62.7
thereof adjustment	11.3		8.9	0.8
EBITDA	119.2		73.0	61.9

FY2018	Group		Cloud Solutions	IT Solutions
EBITDA (adj)	113.8		63.8	61.5
thereof adjustment	9.9		3.9	2.2
EBITDA	103.9		59.9	59.3

ADJUSTMENTS 2019

Group: Incidental M+A costs, strategic transformation, equity-based remuneration and one-off profit from sale of real estate.

Cloud Solutions: Internationalization and AHP resources.

IT Solutions: Transition costs.

*Adjustment: Special investments in strategic transformation (FY.19: 8.9m)