

Your Hybrid IT Service Provider

INVESTOR PRESENTATION

8 March 2024 | Lars Dannenberg, Director Investor Relations



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HISTORY AND BUSINESS MODEL

30 YEARS OF SUCCESSFUL DEVELOPMENT



The CANCOM story: More than 30 years of successful development

1992

Foundation of CANCOM in Augsburg

As an IT system house, CANCOM provides solutions for companies and specializes in consulting, installation and maintenance of IT systems.

CANCOM goes public on Frankfurt Stock Exchange

After only seven years of corporate history, a new chapter began for CANCOM on September 16, 1999, with the company's IPO.

1999

2014

CANCOM becomes a managed services provider

CANCOM is one of the largest IT service providers in Germany and now also offers cloud and managed services. The company is also opening a branch office in Brussels.

CANCOM evolves into a Hybrid IT Service Provider

CANCOM launches a comprehensive XaaS portfolio and opens a new site in Kosice, Slovakia.

2019

2023

Our vision for CANCOM

CANCOM acquires K-Businesscom, a market leader in Austria, and wants to become the # 1 Hybrid IT Service Provider in the DACH market.

Business model: Hybrid IT Service Provider



HARDWARE + SOFTWARE

Trading

Revenue and gross profit attributable to the sale of hard- and software; includes e-business and marketing revenue.

SERVICES

Consulting / Professional Services

Consultancy services; transition and transformation.

Support

Soft- and hardware maintenance; CANCOM warranty products; user help desk; specialised field and on-site services; reactive services.

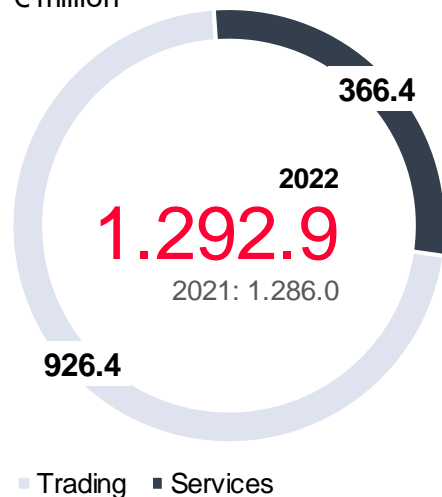
Managed Services

Service contracts with SLAs; proactive services; standardized offerings with CANCOM having operational responsibility (XaaS).

Business model: Service provider gross profit profile

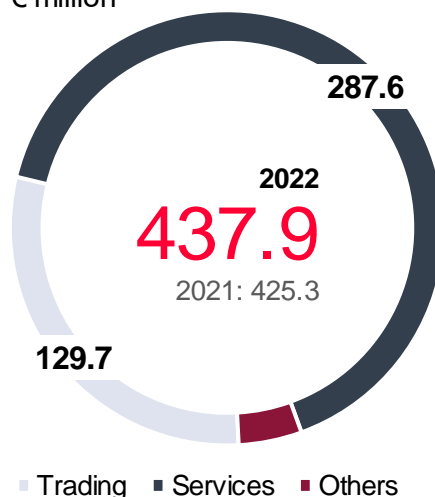
REVENUE

€ million



GROSS PROFIT

€ million



While trading contributes around 70% to total revenue, services generate around 65% of total gross profit.

CANCOM facts and figures

With digital solutions, we improve the lives and collaboration of people and companies.

Highly certified professionals

Over 5,600 employees;
more than 300 trainees and
dual students

Regional and digital

More than 80 locations in
central Europe plus digital
procurement offerings

Wide network

Around 300 sustainable
vendor relationships

Competitive player

Over 40,000 customers
from the public and private
sector



STRATEGY

BUSINESS, FINANCIAL AND SUSTAINABILITY STRATEGY

Strategy: **Building the #1 Hybrid IT Service Provider**



Trends

- 1 Exponentiality of content
- 2 Explosive growth of intelligent devices and cyber threats
- 3 Power of new technology

Big bets

- 1 Customer centred experience
- 2 Digital platforms
- 3 Hybrid Cloud
- 4 Hybrid Work + AI
- 5 Security Solutions + AI

Objectives

- 1 Rigorous execution
- 2 Empower people and teams
- 3 Sustainable throughout
- 4 Change faster
- 5 Grow greater

Strategy: Create measurable value



INCREASE EMPLOYEE ENGAGEMENT

Inspire and empower employees and teams by:

measuring satisfaction;
creating sector leading development opportunities;
providing competitive benefits



FOCUS ON THE CUSTOMER

Improve year over year organic revenue growth by:

increasing revenue growth above market growth;
expanding share of wallet
through 360° view of customer needs



OPTIMISE COST

Expand EBITA-margin by:

executing cost reduction plan;
portfolio shaping with divestments of non-core businesses and assets







SOLID FINANCIAL FOUNDATION

Keep profitable growth and generate sustainable cash flows by:

improving Operating Working Capital, meeting cash conversion and CapEx goals;
leveraging moderately to improve ROCE

Sustainability strategy: Future-proof conduct of business

ENVIRONMENTAL, SOCIAL AND GOVERNANCE TARGETS

ENVIRONMENT 	 GOVERNANCE 	 SOCIAL
<p>Emissions Achieve Net Zero CO₂ emissions in 2027.</p> <p>Energy 95% of electricity used from sustainable sources.</p> <p>Resource utilisation Expand logistics processes for packaging-free goods delivery in order to support a high recycling rate of materials.</p>	<p>No fines and no sanctions for ESG related violations</p>	<p>External Training Invest 5% of profit for the period* for training.</p> <p>Employee turnover Fluctuation between 10 and 12%.</p> <p>Donations Donate 0.5% of profit for the period*.</p> <p>Diversity Targets for gender quota on management levels.</p>

FINANCIAL RESULTS

9M.23



Group: **Topline growth driven by M+A.**

REVENUE

€ million

9M.23	1.062,9
9M.22	925,1

+14.9%

Organic: -5.2%

EBITDA MARGIN

%

7.2%

9M.22: 8.6%

EBITDA

€ million

9M.23	76.6
9M.22	80.0

-4.3%

Organic: -29.2%

Difficult environment in Germany in 9M.23. EBITDA growth of 8.5% percent without special effects of €10m.

Segment Germany: **Soft trading business and special effects.**

REVENUE

€ million

9M.23	829.3
9M.22	843.4

-1.7%

Organic: -4.1%

EBITDA MARGIN

%

6.4%

9M.22: 8.2%

EBITDA

€ million

9M.23	53,0
9M.22	68,9

-23.1%

Organic: -28.1%

Strong service business cannot compensate soft trading business. Special effects from M+A and efficiency programme all in segment Germany.

Segment International: **Driven by KBC.**

REVENUE

€ million

9M.23	233.5
9M.22	81.6

+186.1%

Organic: -16.9%

EBITDA MARGIN

%

10.1%

9M.22: 13.6%

EBITDA

€ million

9M.23	23.6
9M.22	11.1

+113.1%

Organic: -36.5%

Extraordinarily strong quarter for KBC with high number of project kick-offs; standalone EBITDA margin of KBC Group ~10%.

Group: Q3.23

REVENUE

€ million

Q3.23	415.8
Q3.22	329.6

+26.2%

Organic: -15.1%

EBITDA MARGIN

%

8.4%

Q3.22: 8.8%

EBITDA

€ million

Q3.23	35,0
Q3.22	28,9

+21.1%

Organic: -27.2%

Operating Cash Flow: **Forecasted improvement materializes**

9M.21: -48.8

€ million

9M.22: -169.7

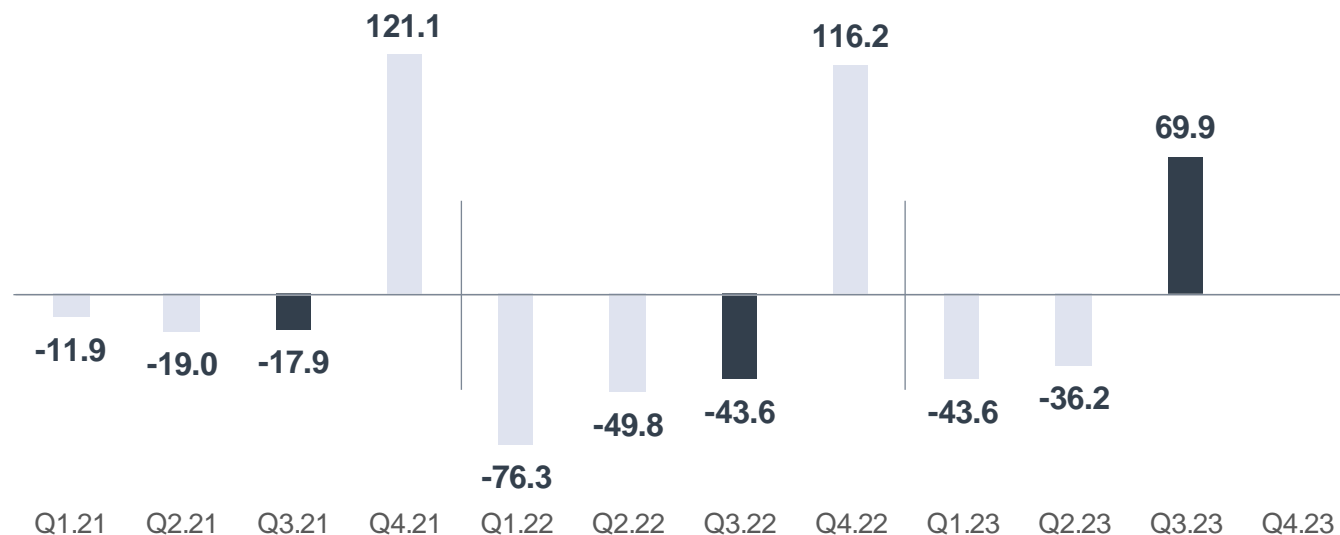
9M.23: -9.9

LIQUIDITY

€ million

180.4

Q3.22: 285.0



Share buyback 2023: Key facts

Share buyback 2023	
Start	3 July 2023
Maximum duration	until 30 June 2024
Maximum volume	€ 155 million
Maximum # of shares (% of share capital)	3,854,800 (9.9%)

Status*	
No. of shares bought (% of share capital)	3,467,975 (9.0%)
Volume used	€ 92,023,299
No. of treasury shares	1,282,933
VWAP per share	€ 26.54

CAPITAL REDUCTION | On 7 December 2023, 2,185,042 shares (5.6 % of the share capital) were cancelled, and the share capital was reduced accordingly to € 36,686,808.00.

ESG Update



ESG ratings: Improvements in 2023

SUSTAINALYTICS

14.8 (Low Risk)
2022: 14.7 (Low Risk)

ISS ESG

C (52.32; Prime)
2022: C (55.61)

MSCI

AA (5.9)
2022: BBB (4.9)

CDP

C (Awareness)
2021: C (Awareness)

Other actively managed ESG Ratings include Moody's, EthiFinanceGaia, S&P CSA, Refinitiv, DVFA-ScoreCard.

FORECAST 2023

Preliminary results 2023: **in-line with Forecast 2023**

€ million	Preliminary 2023	Forecast 2023	2022
Revenue	1,523	1,520 – 1,580	1,292.9
Gross profit	583	560 – 610	437.9
EBITDA	116	116 – 126	104.9
EBITA	65	67 – 75	54.3

Operating cash flow improved > € 145m and reached € 92.8 FY23 (FY22: € -53.6m).

THANK YOU

CANCOM

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APPENDIX

TO INVESTOR PRESENTATION



Segment Germany: Q3.23

REVENUE

€ million

Q3.23	264.8
Q3.22	299.8

-11.7%

Organic: -15.0%

EBITDA MARGIN

%

7.8%

Q3.22: 8.1%

EBITDA

€ million

Q3.23	20.6
Q3.22	24.4

-15.7%

Organic: -21.3%

Segment International: Q3.23

REVENUE

€ million



EBITDA

€ million



EBITDA MARGIN

%

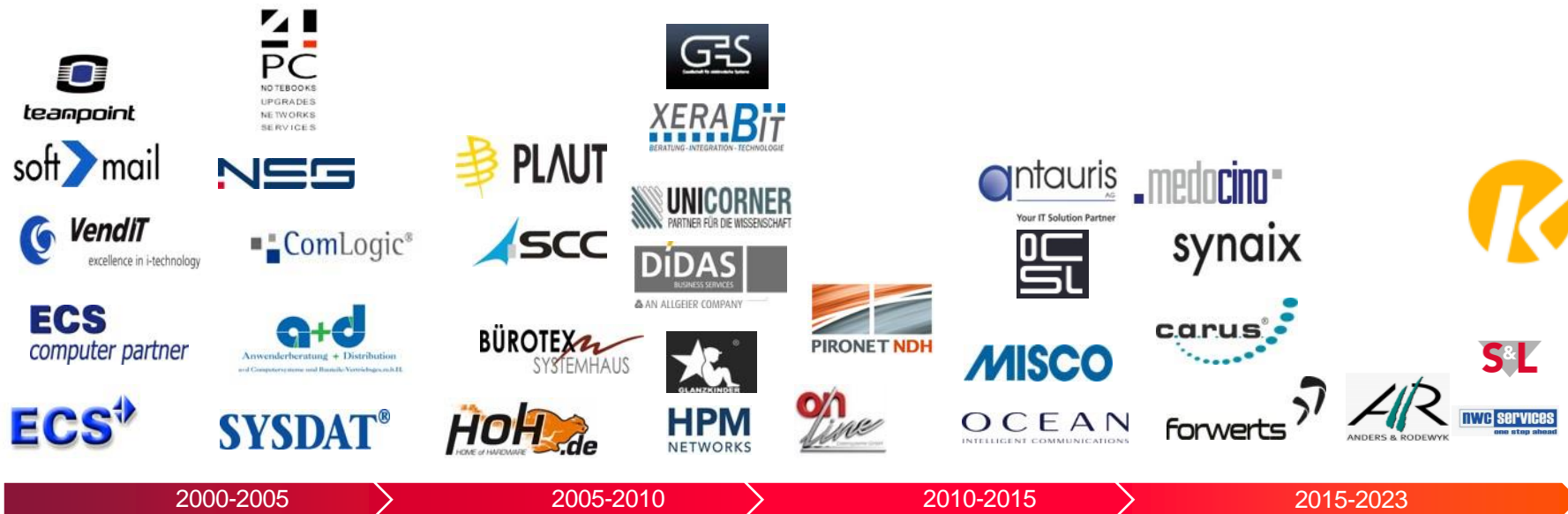


Profitability programme: **Positive € 15m base effect for 2024**

Focus Area	2024
Personnel Measures <ul style="list-style-type: none"> ▪ HY1.23 Layoffs/Restructuring ▪ Temporary and partial hiring freeze ▪ Redeployment of resources ▪ Staff redundancies 	+ € 10 million
SGA <ul style="list-style-type: none"> ▪ Rent and offices ▪ Fleet and vehicles ▪ Travel and hospitality 	+ € 3 million
External Contractors	+ € 2 million
Total	+ € 15 million

Ongoing measures
Streamlining Portfolio: <ul style="list-style-type: none"> ▪ Focus on value business ▪ Cancellation of low margin services ▪ Increase level of standardization ▪ Improve level of automatization
Continuous price adjustments
Assessments of project profitability

M+A track record: 40+ successful transactions



M+A: CANCOM target acquisition criteria

DEAL TYPES

SCALE

Market consolidation with targets covering existing capabilities

EXPERTISE

Augmenting existing portfolio with additional services and new technologies

REGIONS

Focus on Germany, Austria, Switzerland

PRODUCTS + FIT

REVENUE STREAMS

Reasonable Managed Services and Professional Service proportion with complementary trading activities (preferably reasonable recurring revenue proportion)

ASSESSMENT OF FIT AND SKILLS

Overlay of portfolio and customers
Capabilities in trend areas of future IT benefitting from hybrid IT services
Combined value add for customers and growth opportunities

TARGET PROFILE

REVENUE SIZE

> €20m, preferably €50m -€150m

PROFIT/MARGIN PROFILE

> 5 percent EBIT Margin

CAPEX

Preferably capex light

OWNER

Preferably owner-run businesses who will stay on board with midterm incentive model

PROCESS

Preferably exclusive with direct seller access

Reliable IT services for all cases

CANCOM XAAS	Workplace as a Service		Security as a Service		UC as a Service	
	Network as a Service		Device as a Service		and more	
MANAGED SERVICES	Remote Managed Services			Hosted Managed Services		Cloud Managed Services
	Business Applications		Data Center		Connectivity	Security
	Data & IoT		Workplace		UCC & Media	Customer Service
SUPPORT SERVICES	Basic Support			Premium Support Services		
CONSULTING + PROFESSIONAL SERVICES	Analysis & Assess		Strategy & Plan		Build & Transform	

We support individual procurement scenarios

