

A satellite view of Europe at night, showing the continent illuminated by city lights against the dark background of the Earth and the starry sky. The horizon of the Earth is visible in the upper half of the image.

Gigaset AG Annual Press Conference 2019

April 30, 2019

Gigaset

The Gigaset AG vision

*"We create
best-in-class
communication solutions
for your life"*

Your hosts

Klaus Weßing, CEO



Board departments:

- Strategy, Innovation & Design
- Product House
- Sales & Marketing
- Corporate Communications
- Digitalization
- Software Development
- Technical Operations
- Supply Line Management
- Quality & Service
- Human Resources
- Legal Entities

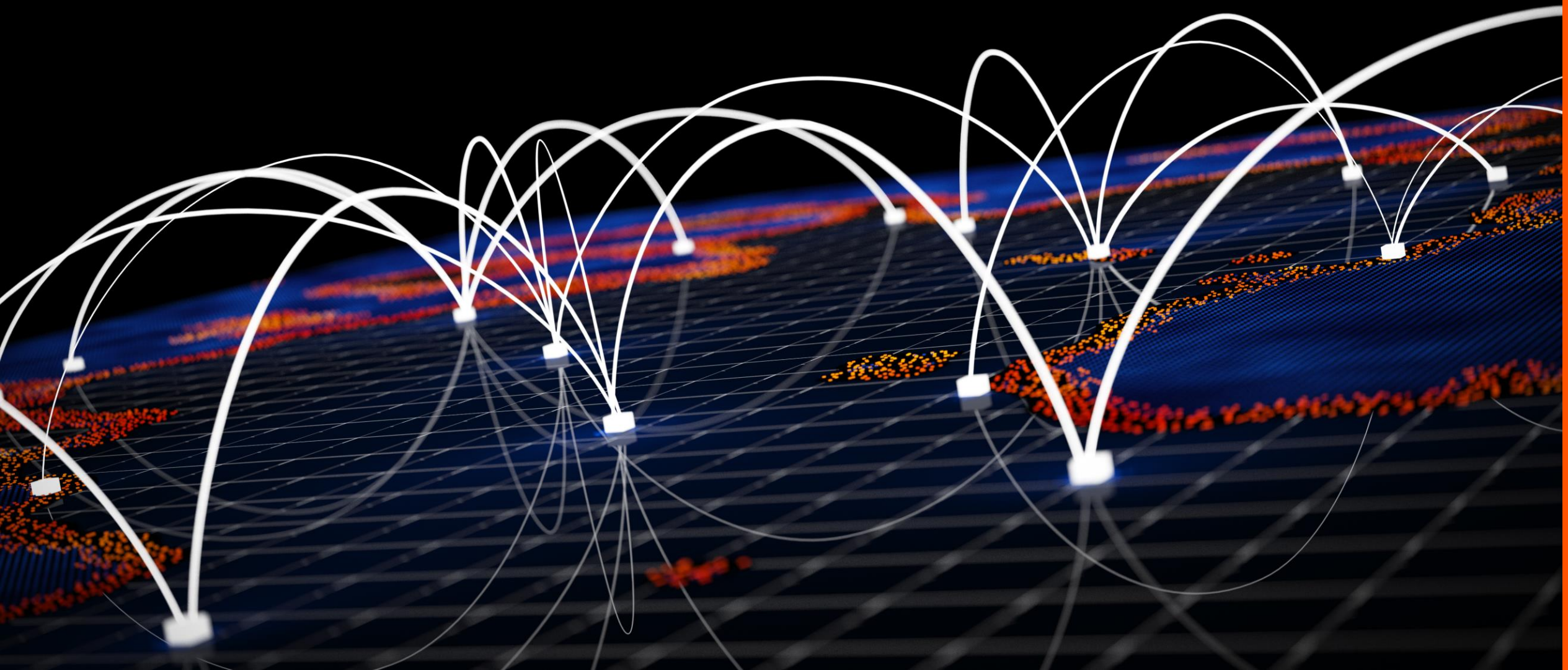
Thomas Schuchardt, Finance Director



Board departments:

- Accounting
- Global Controlling
- Tax
- Treasury
- Legal Services

New brand architecture



New brand architecture and reporting structure

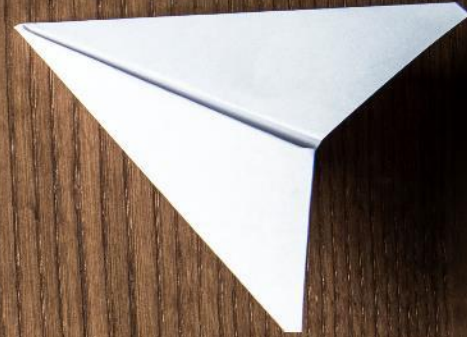
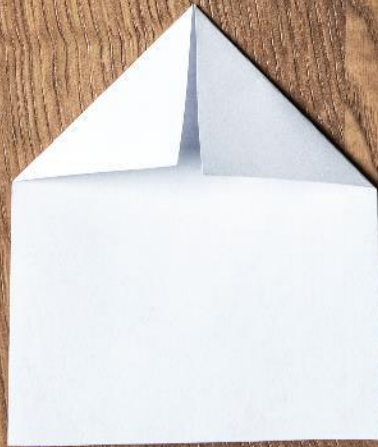
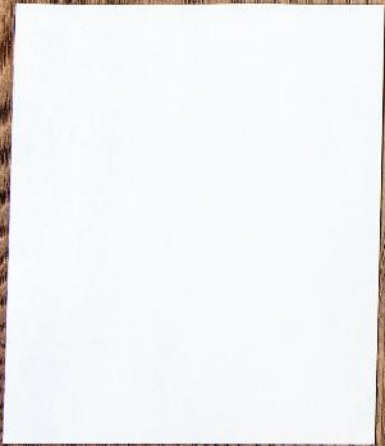
- Gigaset has operated since the second half of 2018 with a new brand architecture that has been implemented at the product level. Former product brands have been dropped and the umbrella brand strengthened.
- The goal is a brand architecture that corresponds to the markets and clearly reflects the business model.
- The names have accordingly been changed in the financial reports, starting with the 2018 half-yearly report.

Brand	Gigaset				Gigaset elements	Gigaset pro
Target group	Private		Private	Business		
Business Units	Consumer Products	Mobile Devices	Home Networks	Business Customers		

Brand	Gigaset			
Target group	Private			Business
Product Center	Phones	Smartphones	Smart Home	Professional

Strengthening the umbrella brand Gigaset across all segments.

Business model



Development, production and distribution of innovative telecommunications solutions



PHONES

Digital, analog and IP-based communications devices, corded and cordless phones.



SMARTPHONES

Smartphones based on Android with different price points and range of features.



SMART HOME

Customized and flexibly scaling cloud-based security solution for private households and apartments.



PROFESSIONAL

IP-based solutions for small and medium-sized enterprises (SMEs), including innovative offerings in the fields of desktop telephony and multi-cell solutions.



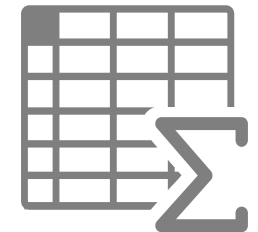
Every year, Gigaset launches around new 190 products and variants across all product segments.



Finance

Fiscal year 2018 Overview

- Gigaset's transformation is bearing fruit and the turnaround has been accomplished:
 - Implementation of the restructuring program launched in 2015 has been completed successfully
 - Gigaset posts positive income for the third fiscal year in a row and meets expectations in relation to all key figures.
-
- Fiscal for fiscal 2018:
 - Consolidated revenue in fiscal 2018: €280.3 million (previous year: €293.3 million), Gigaset wins share in a still difficult market in the Phones segment
 - Sharp growth in the three future business segments Professional, Smart Home and Smartphones
 - EBITDA for fiscal 2018 of €22.1 million and so within the target range

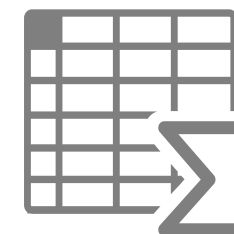


Fiscal year 2018

Income statement and free cash flow

€ million	Jan. 1 - Dec. 31, 2018	Jan. 1 - Dec. 31, 2017
Consolidated revenue	280.3	293.3
EBITDA	22.1	30.4
Earnings before interest and taxes (EBIT)	8.5	12.2
Consolidated net income	3.4	7.9
Free cash flow	-24.1	2.4
Diluted earnings per share in €	0.03	0.06

- **Consolidated revenue** is €280.3, a decline that is due to the still fiercely competitive market environment in the Phones segment
- **Higher revenue in the three future business segments** partially cushions the fall at Phones
- **Restructuring program is having an impact:** Personnel costs fall sharply by 10.0%
- **Third positive fiscal year in a row:** Consolidated net income of €3.4 million

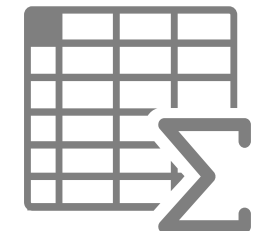


4th quarter of 2018

Income statement and free cash flow

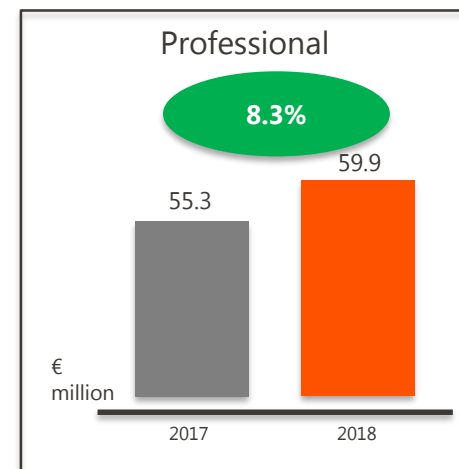
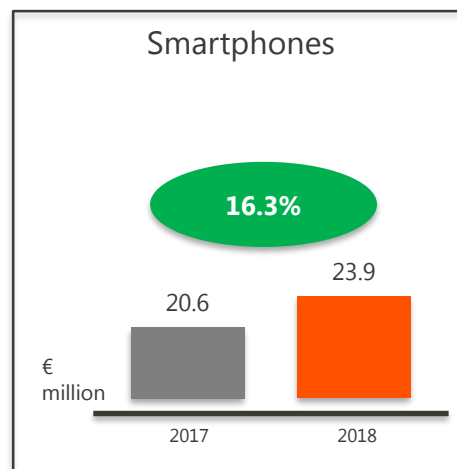
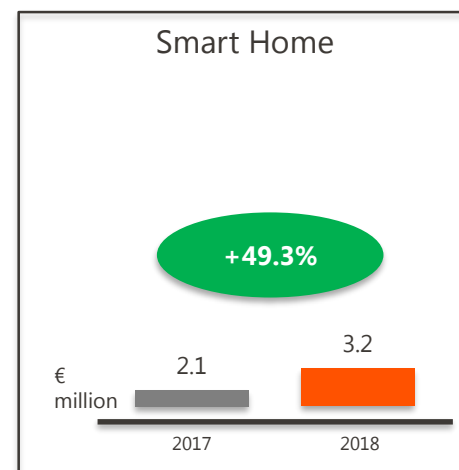
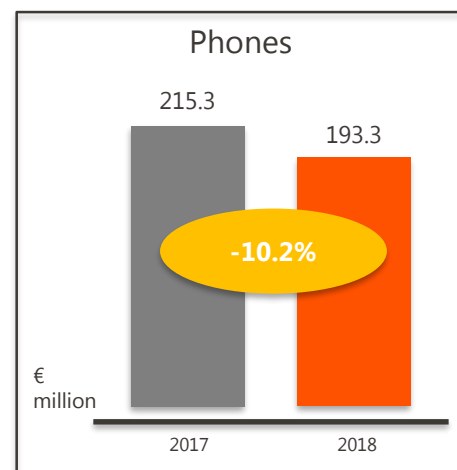
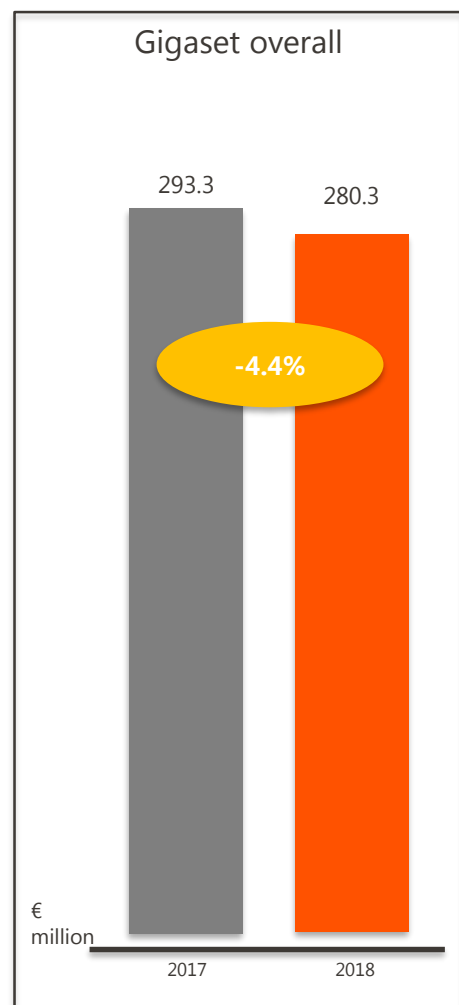
€ million	Jan. 1 - Dec. 31, 2018	Jan. 1 - Dec. 31, 2017
Consolidated revenue	111.6	105.3
EBITDA	17.6	18.4
Earnings before interest and taxes (EBIT)	14.2	11.3
Consolidated net income	8.6	9.4

- Strong end-of-year business:
Consolidated revenue up 6%
- Growth achieved in all four business segments
- EBIT increases by 25.7%



Fiscal year 2018

Overview of development of the Business Units



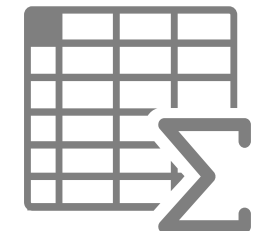
- **Phones:** The market environment is still challenging, Gigaset remains market leader and expands its market share in the EU 4
- **Professional:** Focus on cordless phones, desktop phones and multi-cell solutions
- **Smartphones:** Launch of three new models in 2018, including the first smartphone to be made in Germany: the Gigaset GS185
- **Smart Home:** Expansion of the portfolio to include Smart Care and Smart Comfort

Fiscal year 2018

Balance sheet

€ million	Dec. 31, 2018	Dec. 31, 2017
Total assets	213.1	226.9
Liquid funds	36.9	49.1
Consolidated equity	25.0	24.1
Equity ratio (in %)	11.7	10.6
Number of employees	888	891

- **Total assets** below the figure at the end of 2017
- Decline in non-current financial assets due to a **value adjustment not recognized in profit or loss** for Gigaset Mobile
- **Fall in total debt** by €14.7 million despite new investment financing of €13.5 million
- **Equity ratio rises** to 11.7%



Fiscal year 2018

Cash flow statement

€ million	Jan. 1 - Dec. 31, 2018	Jan. 1 - Dec. 31, 2017
Earnings before income taxes (EBT)	7.5	11.1
Cash inflow (+)/ outflow (-) from operating activities (net cash flow)	-9.6	14.9
Cash inflow (+)/ outflow (-) from investing activities	-14.5	-12.5
Free cash flow	-24.1	2.4
Cash inflow (+)/ outflow (-) from financing activities	12.0	-0.4
Cash and cash equivalents	36.9	49.1

- **Cash flow from operating activities** falls, mainly due to the decrease in trade payables
- **Cash flow from investing activities:** This predominantly relates to €9.8 million spent on innovative products and solutions
- **Cash flow from financing activities** mainly includes €13.5 million from new investment financing

Outlook for 2019: Successful operational strategy will be continued

2019



The focus remains on expanding the product portfolio in the future business segments

Planned increase in research and development expenditure, which is to be compensated in part by strict cost management.
Compensation for the factored-in market decline in the Phones segment by winning further market share, as well as by expanding activities and growing revenues in the Smartphones, Smart Home and Professional segments.

For the 2019 fiscal year, Gigaset therefore expects:

- A slight increase in revenue over 2018
- A sharp improvement in free cash flow and
- EBITDA at the level of the previous year

Contact / financial calendar



Contact:

Raphael Dörr, SVP Corporate Communications & Investor Relations

Gigaset AG

Corporate Communications & Investor Relations

Bernhard-Wicki-Str.5, 80636 Munich

Phone: +49 (0)89 444 456 602

E-mail: raphael.doerr@gigaset.com

Gigaset's financial calendar for 2019

April 30, 2019	Annual Press Conference 2019
May 31, 2019	Interim report for the 1st quarter of 2019
August 14, 2019	2019 Annual General Meeting
August 30, 2019	2019 half-yearly financial report
November 29, 2019	Interim report for the 3rd quarter of 2019
