



# Annual Press Conference of Gigaset AG

Munich, April 21, 2016

**Gigaset**  
Wherever you go.

## Safe Harbor Statement

Gigaset

This presentation may contain forward-looking statements about our business, financial situation, operating results and a profit forecast.

These forward-looking statements are identified by words such as "will probably," "will," "expect", "take into consideration," "intend," "plan," "believe," "continue" and "assess," as well as variants thereof and similar expressions. Forward-looking statements reflect our current views and assumptions and are subject to risks and uncertainties. This may result in our current and future results and trends differing significantly from our forward-looking statements.

Such risks and uncertainties include: actual customer behavior, intensification of competition and pressure on prices in the market, availability of products, the stability and working order of our technologies, the financial climate and access to finance, general macroeconomic conditions, the payment behavior of our customers, how easy it is to obtain interest rates and their changeability, general economic conditions that, contrary to expectations, are less favorable, and other factors.

Forward-looking statements should therefore be put into their appropriate context.

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## Your hosts



**Klaus  
Weßing**  
CEO

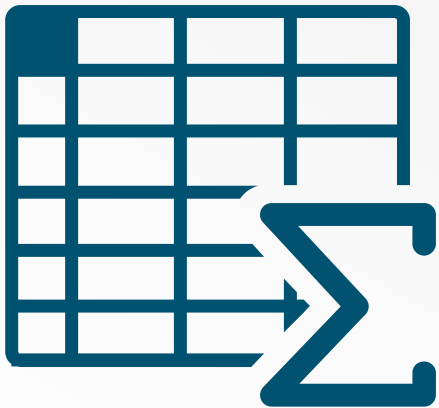


**Hans-Henning  
Doerr**  
CFO

## Fiscal year 2015: Key financial ratios

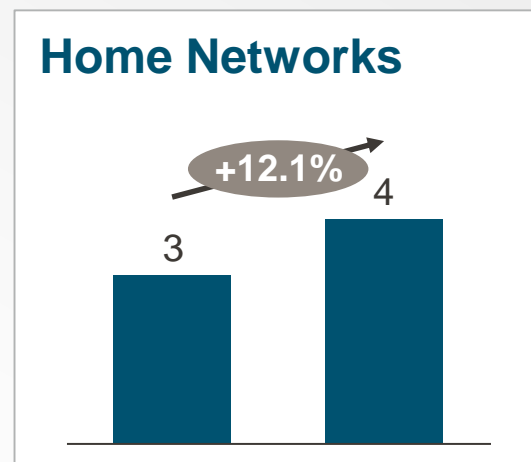
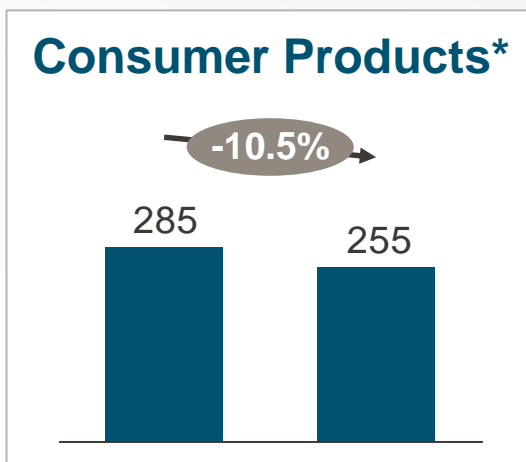
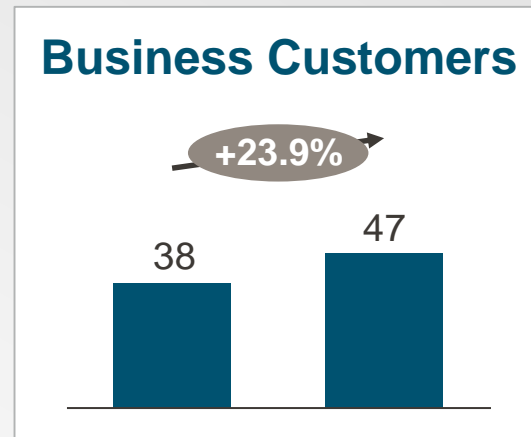
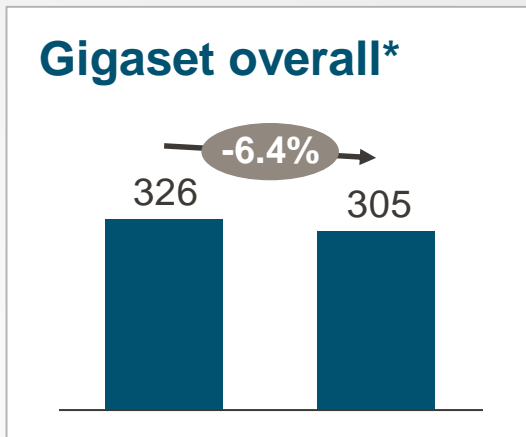
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# 2015



- The **market environment** in our core business of cordless phones was challenging in 2015
- The **new business segments** of Business Customers and Home Networks **grew** further in 2015
- Overall, there was a **decline in revenue** of **6.4%**
- The **restructuring program** reduced the annual result by **€19.5 million**
- The **legal dispute** with Oxi Holding GmbH yielded income of **€3.5 million**
- The **free cash flow** improved, but is still negative

# Fiscal year 2015: Economic development of the company



- All in all, **declining revenue**
- That is mainly due to the **challenging market** for cordless phones
- **Growth segments** pro and elements **on track** with further growth
- Sharp **growth** at **Business Customers**, among other things due to successful partnerships
- Constant **growth** at **Home Networks** with a growing number of users in the system

\* Including revenue from Gigaset Mobile

## Fiscal year 2015: Income statement

In € thousands	2015	2014	Δ in %
Revenues	305,347	326,078	-6.4%
<b>Gross profit/loss</b>	<b>147,572</b>	<b>167,087</b>	<b>-11.7%</b>
EBITDA	10,580	11,788	-10.2%
EBIT	-10,021	-13,174	+23.9%
Additional ordinary result	-6,239	1,657	
<b>Income from ordinary activities</b>	<b>-19,541</b>	<b>-12,790</b>	
Income taxes	-2,468	-3,882	
Consolidated loss of the year	-22,009	-16,623	

- Positive **EBITDA**
- **EBIT continues to improve**
- **Decline in revenue** in particular in the Consumer Products segment



## Fiscal year 2015: Balance sheet

Assets in € thousands	2015	2014	Δ in %
Total non-current assets	96,966	105,989	-8.5%
Working capital (asset)	83,159	94,758	-12.2%
Cash and cash equivalents	40,963	50,484	-18.9%
<b>Total assets</b>	<b>221,088</b>	<b>251,231</b>	<b>-12.0%</b>

- Still high **cash-level**

Liabilities in € thousands	2015	2014	Δ in %
Equity	17,856	41,159	-56.6%
Working capital (liability)	133,212	139,060	-4.2%
Pension obligations	70,020	71,012	-1.4%
<b>Total assets</b>	<b>221,088</b>	<b>251,231</b>	<b>-12.0%</b>



## Fiscal year 2015: Cash flow statement

In € thousands	2015	2014	Δ in %
Cash flow from operating activities	4,689	19,964	-76.5%
Cash flow from investing activities	-14,348	-32,034	55.2%
<b>Free cash flow</b>	<b>-9,659</b>	<b>-12,070</b>	<b>+20.0%</b>
Cash flow from financing activities	-66	3,733	
<b>Cash and cash equivalents at December 31</b>	<b>40,963</b>	<b>50,484</b>	
Net change in cash and cash equivalents	-9,521	-6,503	

- The cash flow from **operating activities** fell due to early payment of invoices (utilization of cash discounts)
- The decline in cash flow from **investing activities** of €17,686 thousand is due to an outflow of cash amounting to €18,000 thousand as part of transitional consolidation of the shares in Gigaset Mobile Pte. in the previous year



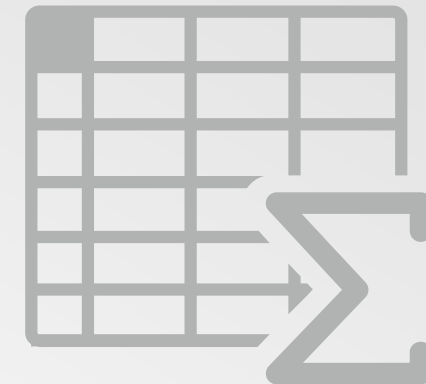
## Fiscal year 2015: Cash flow and investments

In € thousands	2015	2014	Δ in %
Cash flow from operating activities	4,689	19,964	-76.5%
Cash flow from investing activities	-14,348	-32,034	55.2%
<b>Free cash flow</b>	<b>-9,659</b>	<b>-12,070</b>	<b>-20.0%</b>

*Of which investments in non-current assets*

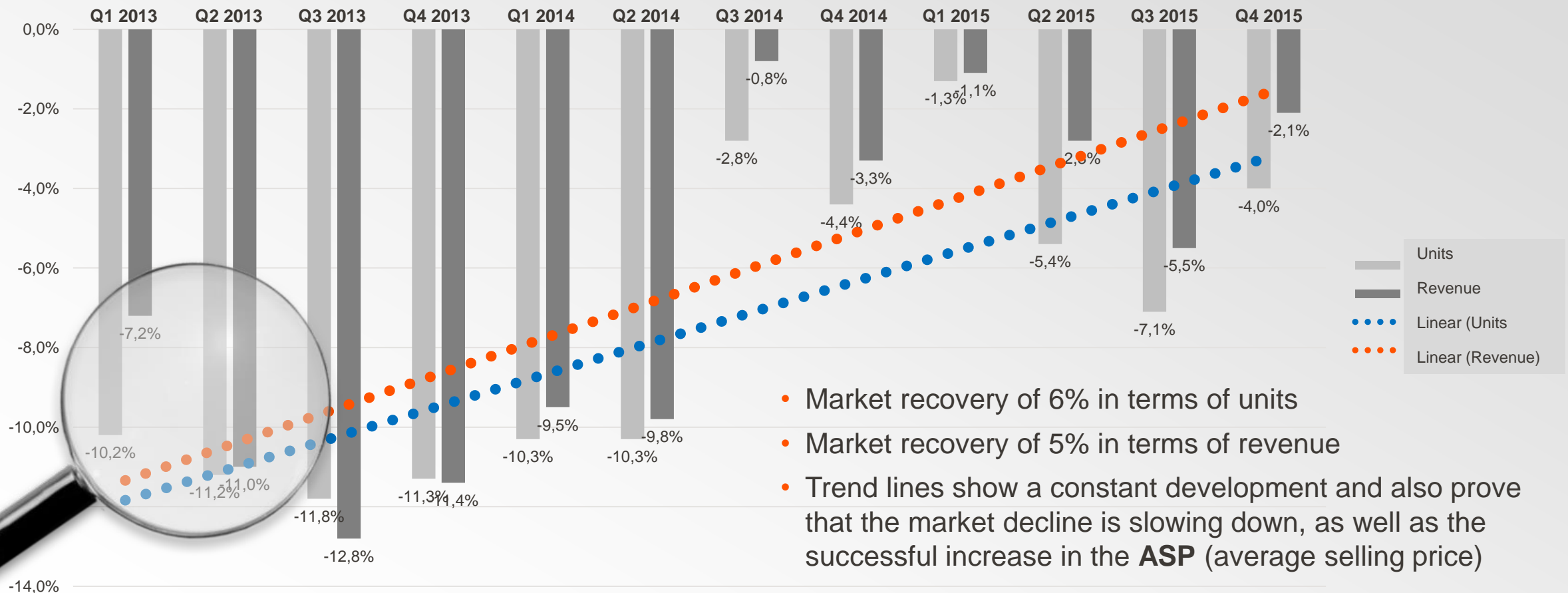
In € thousands	2015	2014	Δ in %
Intangible assets	10,210	9,102	-12.2%
Property, plant and equipment	4,440	5,005	-11.3%
<b>Total</b>	<b>14,650</b>	<b>14,107</b>	<b>3.8%</b>

- **Investments** in developing new products and solutions remain at a high level
  - Maxwell series
  - Gigaset elements
  - Gigaset HX series



## Outlook for 2016: Market decline is slowing down constantly

### Market development in the EU6 in units and revenue over 12 quarters, in %

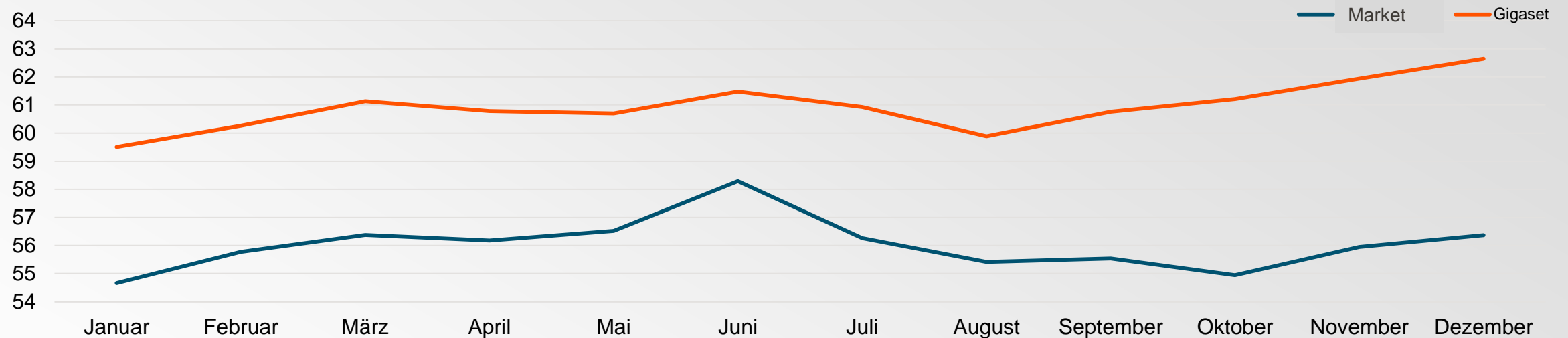


- Market recovery of 6% in terms of units
- Market recovery of 5% in terms of revenue
- Trend lines show a constant development and also prove that the market decline is slowing down, as well as the successful increase in the **ASP** (average selling price)

## Outlook for 2016:

Price increase successfully accomplished in 2015, positive impact in 2016

### Price development Gigaset vs. market in Germany in 2015, in €



### Successful accomplishment of the price increase

- Price increase commenced in **May 2015**
- Overall, a higher **premium price point** versus the market was maintained and expanded
- A total of **€6.7 million** in additional revenue was generated from the price increase
- It is now **fully established** and implemented by all customers and partners

# Outlook for 2016: Guidance

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# 2016

**Slower market decline** in core business, with a fall in revenue in the high single-digit to low double-digit percentage range

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**Improvement** of the **EBITDA**





## Contact

### **Gigaset AG**

Seidlstr. 23  
80335 Munich

Phone: +49 (0)89 444 456 866

E-mail: [info.presse@gigaset.com](mailto:info.presse@gigaset.com)

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