

Gigaset AG: Financial Result for the first Quarter

June 1, 2018

Gigaset

The Gigaset AG vision

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

The Executive Board of Gigaset AG

Klaus Weßing, CEO



Board departments:

- Products
- Operations & Quality
- Sales & Marketing
- Corporate Communications
- Strategy & Innovation
- Human Resources

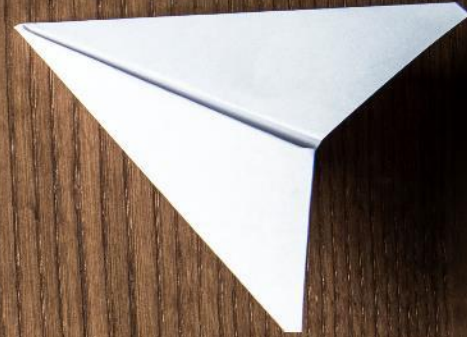
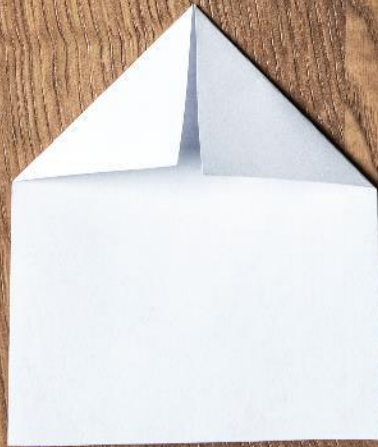
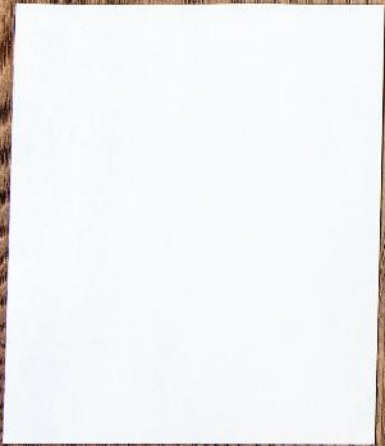
Stephan Mathys, CFO



Board departments:

- Finance
- Treasury
- Investor Relations
- Tax
- Legal

Business model



Business model: Development, production and distribution of innovative telecommunications solutions



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

Gigaset

Wherever you go.

Finance

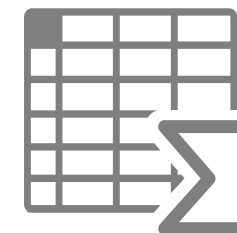


1st quarter of 2018

Income statement and free cash flow

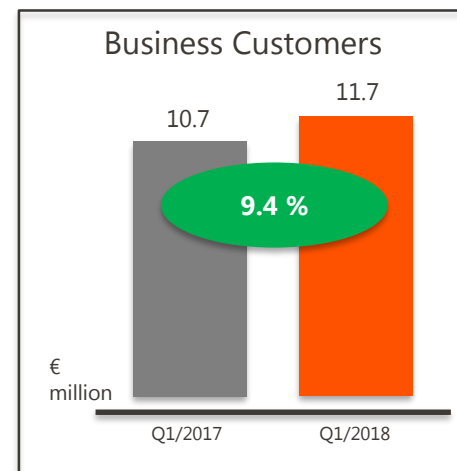
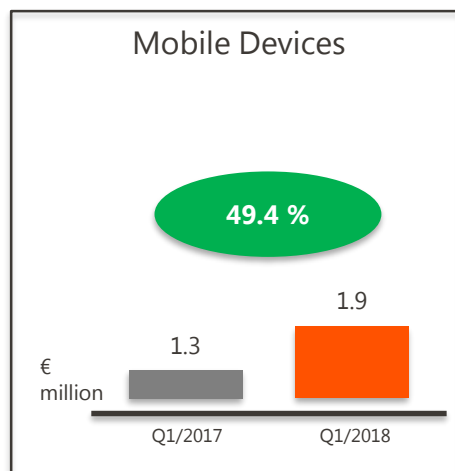
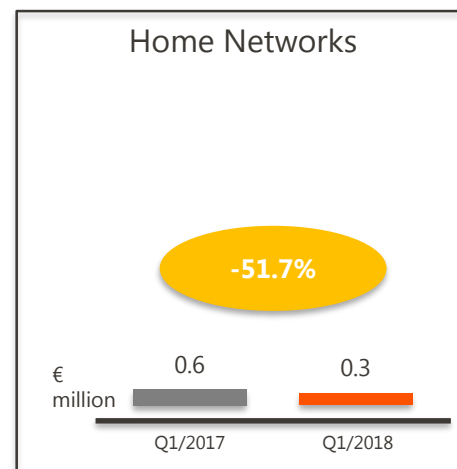
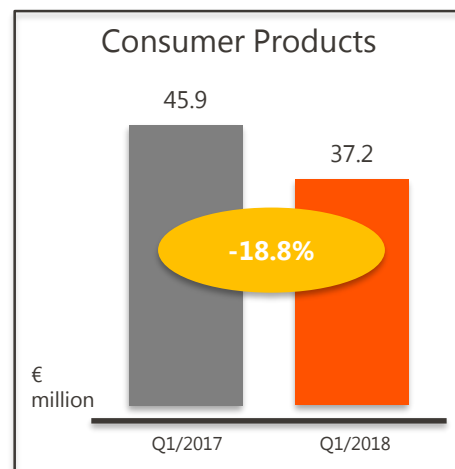
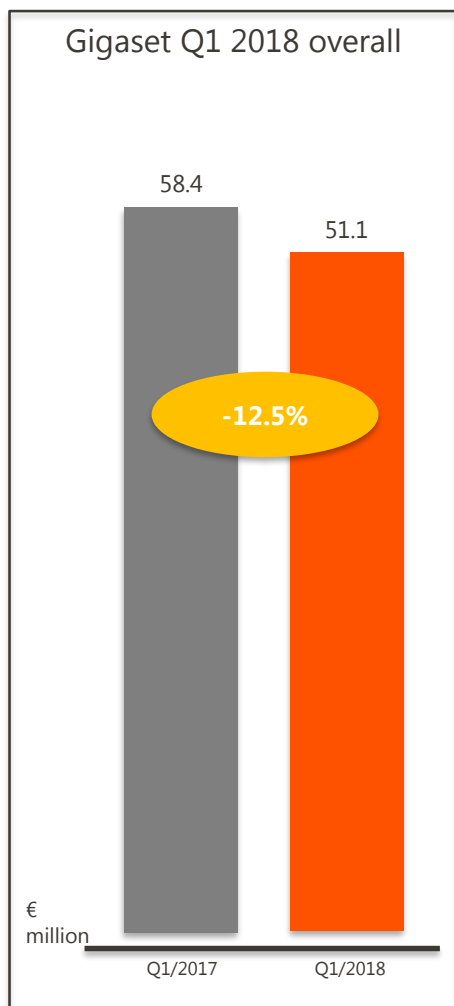
€ million	Jan. 1 - Mar. 31, 2018	Jan. 1 - Mar. 31, 2017
Consolidated revenue	51.1	58.4
Result from core business before depreciation and amortization (EBITDA)	1.5	3.1
Earnings before interest and taxes (EBIT)	-1.7	-0.4
Consolidated net income	-1.5	-1.5
Free cash flow	-23.2	-26.4
Diluted earnings per share in €	-0.01	-0.01

- **Consolidated revenue** down at €51.1 million - primarily due to difficult market environment for Consumer Products
- **Gross earnings margin** almost constant at 52%
- **EBITDA -€1.6 million:** Significant drop in personnel costs due to restructuring, slight increase in marketing costs



1st quarter of 2018

Overview of development of the Business Units



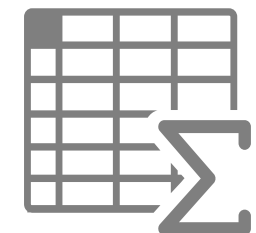
- **Consumer Products:** Market environment remains competitive, Gigaset can further expand its market position in the EU4
- **Business Customers:** Growth in revenue, especially through positive development in the German market
- **Mobile Devices:** Sharp increase in revenue through expansion of the product range, introduction of new smartphone models at end of May 2018
- **Home Networks:** Gigaset expects to benefit from future market growth and is launching action bundles

1st quarter of 2018

Balance sheet

€ million	March 31, 2018	December 31, 2017
Total assets	197.1	226.9
Liquid funds	25.7	49.1
Consolidated equity	22.1	24.1
Equity ratio (in %)	11.2	10.6
Number of employees	855	930

- **Total assets** below 2017 year-end figure due to less working capital and seasonally related fall in liquid funds
- **Liquid funds** below 2017 year-end figure, but well above Q1 2017 (€21.1 million)
- **Equity ratio** further improved



1st quarter of 2018

Cash flow statement

€ million	Jan. 1 - Mar. 31, 2018	Jan. 1 - Mar. 31, 2017
Earnings before income taxes (EBT)	-1.8	-0.7
Cash inflow (+)/ outflow (-) from operating activities (net cash flow)	-20.5	-23.7
Cash inflow (+)/ outflow (-) from investing activities	-2.8	-2.7
Free cash flow	-23.2	-26.4
Cash inflow (+)/ outflow (-) from financing activities	0	0
Cash and cash equivalents	25.7	21.1

- **Cashflow from operating activities** and **free cash flow** slightly improved
- **Liquid funds** +21% year on year
- **Slight improvement in all key figures in the cash flow statement** due to shifts in the area of taxes

Outlook for 2018

Further revenue growth anticipated

2018

- Gigaset expects a difficult market environment for the Consumer Products segment, but aims to win further market share.
 - Gigaset intends to grow revenue not only in the Business Customer and Home Networks segments, but above all for Mobile Devices.
 - New Business Units are to generate additional revenue growth compared to 2017.
-
- **Guidance for 2018**
 - An increase in revenue over 2017 in the high single-digit million range
 - A result from core business before depreciation and amortization of between €20 million and €28 million
 - A negative free cash flow in the medium single-digit million range

Contact / financial calendar



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Gigaset AG

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Gigaset's financial calendar for 2018

April 30, 2018	Annual Press Conference 2018
June 1, 2018	Interim report for the 1st quarter of 2018
August 14, 2018	2018 Annual General Meeting
August 22, 2018	2018 half-yearly financial report
November 30, 2018	Interim report for the 3rd quarter of 2018
