

# Vtion Wireless Technology AG

2013 H1/Q2 Results Conference Call

August 15, 2013



- Offers both hardware products such as wireless data cards and mobile routers through its wireless data terminal business segment, as well as software-based products such as industry-specific computing solutions and mobile applications offered through Vtion Anzhuo, a wholly owned subsidiary
- Strong sales channel connections to all three of China's major telecom operators – China Telecom, China Unicom and China Mobile
- Products range covers all technology standards, interfaces and operators
- Experienced management team allows company to adapt quickly
- Offices in Chinese mainland, Taiwan, Hong Kong, Germany
- Currently has 235 employees



## Wireless data terminals



E1920  
Wireless Data Card



E6+  
Wireless Router



VT1  
PCtoTV

## Mobile intelligent terminals



VCAM798  
Wireless Home Monitor

## Industry-Specific & Service Solutions



Insurance Industry solutions  
(E-Agency Platform)



Fujian Broadband Project

## Android applications -Vmarket



安卓商店  
VMarket

## Wireless Data Terminals

- Traditionally the company's core business, steady results expected in this segment
- Covers all 3G and 3.5G technology standards (HSPA+ and EVDO Rev.B) currently in use in the Chinese market

## Industry-Specific & Application Solutions

The company is focused on expanding its presence in these growing market segments

- **E-Agency Platform**  
allows insurance sales agents to electronically manage their customer base, coordinate with other sales agents, execute policy sales online
- **Online Applications "Vmarket"**  
Applications sold through own online store, telecom operators and device manufacturers. Vtion currently offers 20,414 applications through its various sales channels on the platform.

# 2013 H1/Q2 Financial Results at a Glance



		Q2			H1		
		2013	2012	+/-%	2013	2012	+/-%
Revenues	million €	15.96	19.34	-17	27.80	37.18	-25
Gross profit	million €	3.01	3.49	-14	5.17	7.11	-27
Gross profit margin	%	19	18	1PP	19	19	-0PP
EBITDA	million €	1.53	2.16	-29	2.34	4.24	-45
EBITDA margin	%	10	11	-1PP	8	11	-3PP
EBIT	million €	1.39	2.01	-31	2.07	3.94	-47
EBIT margin	%	9	10	-1PP	7	11	-4PP
Net profit	million €	1.19	0.58	105	1.65	2.72	-39
Net profit margin	%	7	3	4PP	6	7	-1PP
Earnings per share	€	0.09	0.04	125	0.12	0.18	-33
Net Cash flow from operations	million €	-3.61	-6.97	n/a	1.83	-3.73	n/a

# Cash Flow Statement



	<b>H1 2013</b>	<b>H1 2012</b>
	<b>kEUR</b>	<b>kEUR</b>
Operating cash flow before working capital changes	2,319	4,237
Cash generated from/(used in) operations	2,026	-2,910
Net cash generated from operating activities	1,832	-3,733
Cash flow from investing activities	4,981	-5,075
Cash flow from financing activities	-732	-3,561
<b>Net increase in cash and cash equivalents</b>	<b>6,081</b>	<b>-12,369</b>
Cash at the beginning of the year	113,510	<b>124,516</b>
Foreign exchange difference	2,768	1,682
<b>Cash at the end of the period</b>	<b>122,359</b>	<b>113,829</b>

Cash per share is EUR 8.44.

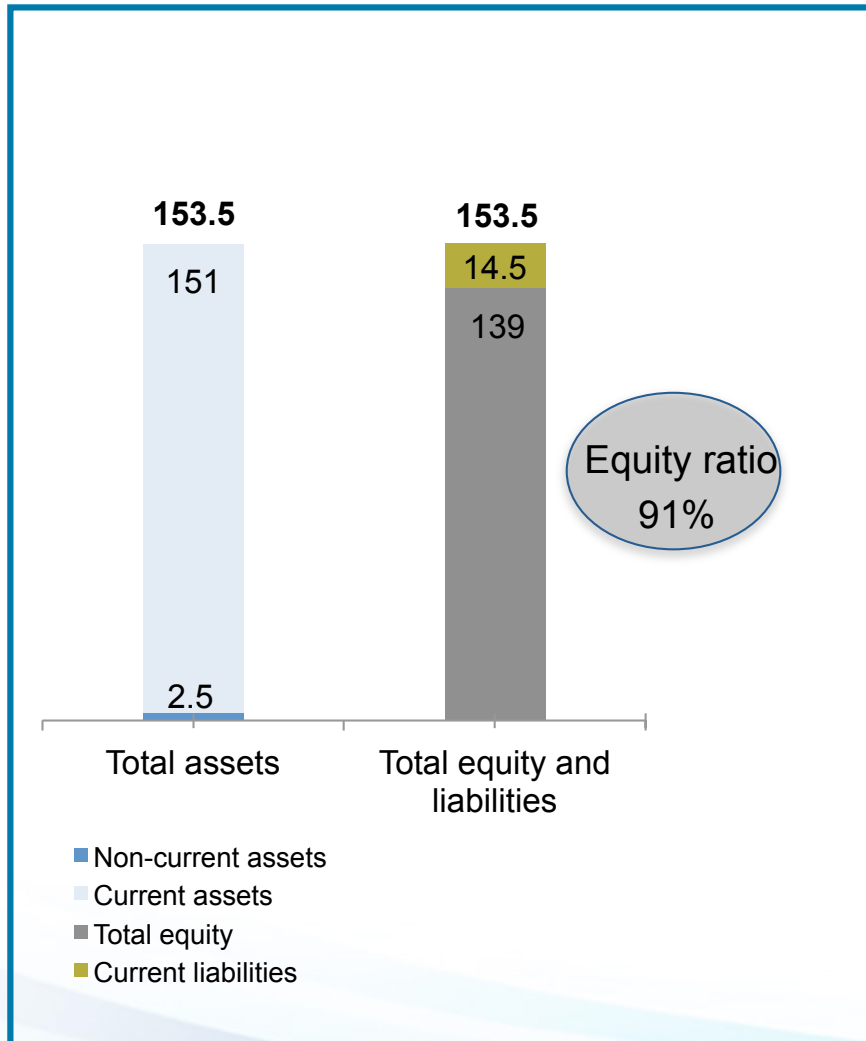
Based on the total number of shares 14,495,086 as at the end of 2013 Q2

# 2013 Q2 Balance Sheet and Cash Position Map



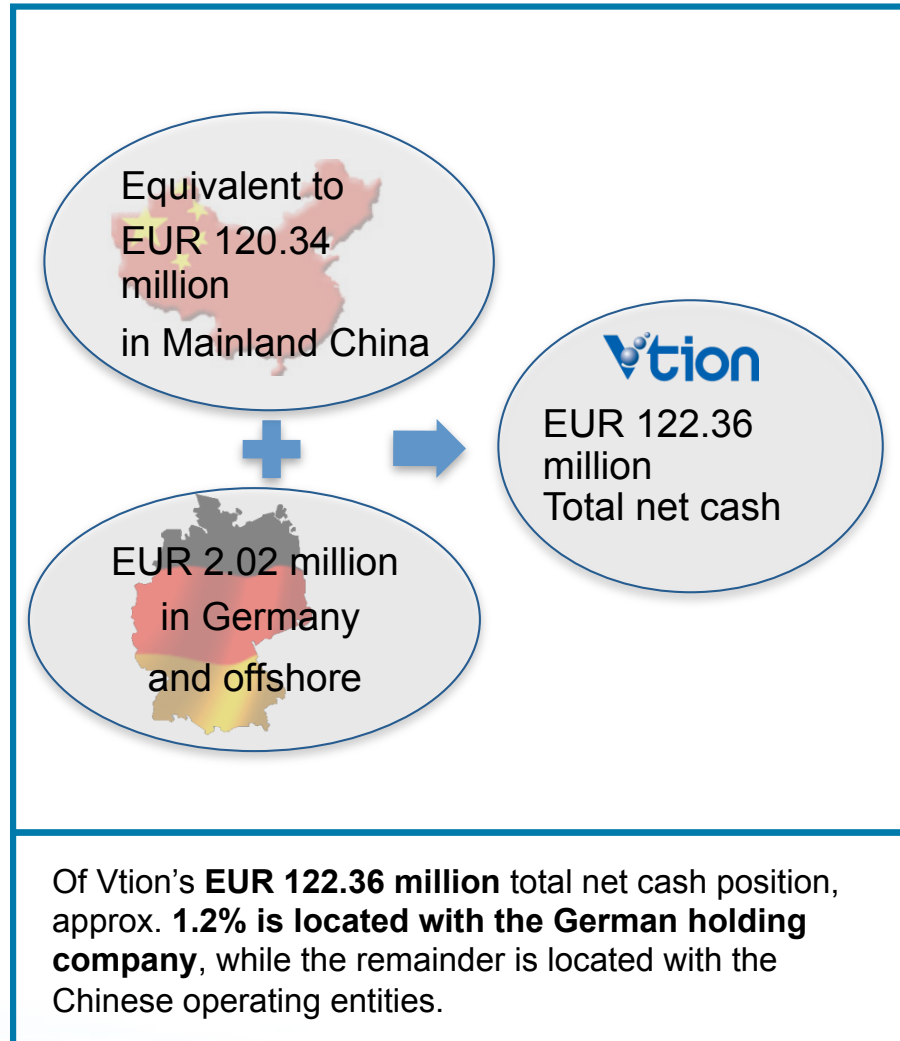
## Balance sheet

million € / as of June 30, 2013



## Cash Position Map

as of June 30, 2013





- For 2013 H1, the wireless data terminal business segment remained stable, accounting for 86% of the total revenue – wireless data cards 53%, wireless router business 22% as well as “PCtoTV” business 11%;
- Vtion’s remote-controlled wireless camera (launched 12/2012), gained the second highest share of revenues (10%). The camera is an installation-free cloud-connected mobile intelligent device. When it is connected online, it does not need any installation or boot-up process;
- In the industry-specific computing solutions business segment, Vtion is now serving a total of 6 clients with the E-Agency platform solutions;
- Vtion Anzhuo currently offers 20,414 applications, which is a decrease from previous quarters, as the company seeks to streamline its offerings and place greater emphasis on its highest-quality and best-selling applications. Therefore, less popular application offerings have been reduced to save costs.

## Expected Business Development

- Increasing coverage of the 3G and 3.5G networks has created a market opportunity for Vtion's wireless 3G/3.5G routers. Vtion will seek to further adapt its wireless data terminal offerings to suit the needs of the telecom operators as the market continues to change and evolve.
- Vtion continues to invest resources in new software-based business segments. They require a lengthy building process. For industry-specific computing, the company has taken the approach of trying to increase revenue per current client while also seeking to expand its client base with a particular emphasis on larger state-owned insurance companies.
- Vtion Anzhuo will seek cooperation with large-screen device manufactures who have a strong market position in the hardware business but lack the capability of creating and operating an applications platform to synchronize with their hardware offerings.

## 2013 FY Guidance

- Vtion confirms 2013 full year guidance: Revenues between EUR 60 million and EUR 70 million and EBIT margin between 8% and 10%.



This document contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified by words such as 'expects,' 'looks forward to,' 'anticipates', 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' 'will,' 'project' or words of similar meaning. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond Vtion's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Vtion to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from changes in general economic and business conditions (including margin developments, the legal and regulatory framework, changes in currency exchange rates and interest rates).

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Vtion does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.