



Revenue at €93.5m for 2019, an 11% increase with 21% growth in Q4

PRESS RELEASE

PARIS, January 9, 2020 - Ekinops (Euronext Paris - FR0011466069 – EKI), a leading supplier of telecommunications solutions for telecom operators, has posted its revenue for FY 2019 ending December 31, 2019 and announced its financial reporting calendar for 2020.

€m - IFRS - unaudited	2018	2019	Change
9-month revenue	63.0	67.9	+7.7%
Q4 revenue	21.2	25.6	+20.7%
FY revenue	84.2	93.5	+11.0%

In Q4 2019, Ekinops posted €25.6m in consolidated revenue with organic growth of 20.7% versus Q4 2018 (up 18.6% at constant exchange rates).

The last quarter was characterized by a sharp upswing in organic growth (vs. 7.7% over nine months) as Ekinops reached a new record in quarterly business.

Full-year revenue rose to €93.5m following sustained year-on-year growth of 11.0% (9.7% at constant exchange rates), including 15.0% growth (13.3% at constant exchange rates) in H2 2019.

Strong demand across all Ekinops product lines

This growth largely came from strong demand for optical transport products, with the proven success of the 200G range and an enthusiastic market reception for the new 400G equipment launched last year. The success of these products helped boost growth to over 50% in the USA driven by four new key accounts in the region, three of whom exceeded \$1m revenue in 2019.

Meanwhile, the Group made new strategic progress in virtualization, with several leading service providers adopting Ekinops products: OneOS6, its VNFs (Virtual Network Functions) and OVP (Open Virtualization Platform). In November, the Group's strategy in this field enjoyed a major recognition winning the

Technology Solutions of the Year prize for NFV in the virtualization category at the MEF19 awards ceremony. This prestigious award attests to Ekinops' leading position in customer premises equipment (CPE) virtualization.

The initial results of 1G and 10G access routers in 2019 were also promising. With these products, Ekinops can offer applications with greater added value and, in this way, make inroads into new market segments.

Lastly, sales of software products—which still account for less than 10% of total revenue—practically doubled in 2019.

56.4% growth in USA in 2019

The robust growth in 2019—particularly the sharp upswing at the end of the year—is the fruit of vigorous business in all regions worldwide.

Ekinops posted strong year-on-year growth of 28.5% on the international market. In particular, North America generated €15.7m in revenue in 2019, up from €10.1m the previous year—a 56.4% hike. As expected, this region posted the highest growth rate in 2019.

In 2019, the international share of Group revenue rose to 67% from 58% in 2018: 38% for EMEA (Europe excluding France, Middle East and Africa) vs. 37% in 2018; 17% for the USA (vs. 12% in 2018); 12% for APAC (Asia Pacific) vs. 9% in 2018. France generated 33% of revenue in 2019 (vs. 42% in 2018).

Outlook

Ekinops continues to invest in software development and equipment with high added value, as illustrated with its acquisition of OTN technology at the start of the summer, which should allow it to triple sales of optical transport products by 2024.

Sales of software solutions will continue to grow over the next few years resulting in gradual changes in the product mix that will boost the Group's long-term profitability.

Over the coming months, the Group plans to focus on high value-added applications such as SD-WAN (Software-Defined Wide Area Network), white boxes, OneOS6, its VNFs, services, 1G/10G routers, and OTN.

Buoyed by these many developments and its strategy to compete for higher-value applications, the Group has underlined its long-term goal of double-digit organic growth and EBITDA margins each financial year.

Financial reporting calendar

Date	Release
Wednesday, February 26, 2020	FY 2019 results (currently being audited)
Wednesday, April 8, 2020	Q1 2020 revenue (unaudited)
Thursday, May 28, 2020	General Meeting
Thursday, July 9, 2020	Q2 2020 revenue (unaudited)
Tuesday, July 28, 2020	H1 2020 results (currently being audited)
Monday, October 12, 2020	Q3 2020 revenue (unaudited)
Tuesday, January 12, 2021	FY 2020 revenue (unaudited)

All press releases are published after Euronext Paris market close.

About EKinops

Ekinops is a leading provider of open and fully interoperable Layer 1, 2 and 3 solutions to service providers around the world. Our programmable and highly scalable solutions enable the fast, flexible and cost-effective deployment of new services for both high-speed, high-capacity optical transport as well as virtualization-enabled managed enterprise services.

Our product portfolio consists of two highly complementary product sets. One, marketed under the Ekinops 360 brand name, provides a single, fully integrated platform for metro, regional, and long-haul applications. The other, marketed under the OneAccess brand name, provides a wide choice of physical and virtualized deployment options for Layer 2 and Layer 3 network functions.

As service providers embrace SDN and NFV deployment models, Ekinops' solutions enable them to deploy today in the knowledge that they can seamlessly migrate to an open virtualized delivery model at a time of their choosing.

A global organization, with operations in 4 continents; Ekinops (EKI) - a public company traded on the Euronext Paris exchange - is headquartered in Lannion, France, and Ekinops Corp., a wholly-owned subsidiary, is incorporated in the USA.


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For more information, visit www.ekinops.com

EKinops contact

Didier Brédy
 Chairman and CEO
<mailto:contact@ekinops.com>

Investors

Mathieu Omnes
 Investor relation
 Tel.: +33 (0)1 53 67 36 92
momnes@actus.fr

Press

Nicolas Bouchez
 Press relation
 Tel.: +33 (0)1 53 67 36 74
nbouchez@actus.fr