



A record 2<sup>nd</sup> quarter with sequential growth of 17%  
 H1 2019: revenue of €45 million  
 and expected improvement in EBITDA margin

PRESS RELEASE

PARIS, July 17, 2019 - Ekinops (Euronext Paris - FR0011466069 – EKI), a leading supplier of telecommunications solutions for telecom operators, has published its revenue for the second quarter of 2019.

€m - IFRS - unaudited	2018	2019	Change
H1 revenue	42.1	45.0	+7%

In Q2 2019, Ekinops posted consolidated revenue of €24.3 million, up 4% (+2% at constant exchange rates) compared to Q2 2018 (no change in consolidation scope between the two periods), which had previously been the busiest quarter in terms of business activity.

**A record second quarter, with sequential growth of 17%**

With sequential growth of 17% compared to the first quarter of the year, the second quarter of 2019 marked a new peak in activity for the group.

Across the whole first half of the year, revenue amounted to €45.0 million, compared to €42.1 million the year before, i.e. an increase of 7% (+5% at constant exchange rates). The level of activity led to sequential half-year growth of 7% compared to the second half of 2018, traditionally the period with greater business volumes.

€m - IFRS - unaudited	H1 2018	H2 2018	H1 2019	Change (H1 19 vs. H2 18)
Revenue	42.1	42.1	45.0	+7%

**Revenue up 16% in North America in the first half of 2019**

International operations accounted for 68% of 2019 half-year revenue (vs. 58% in FY 2018).

All international regions posted double-digit growth in the first half of 2019. There was a 16% increase in sales in North America over H1, which now represents 15% of total volumes (vs. 12% in FY 2018). The EMEA and APAC regions grew 31% and 22% respectively. Sales in France were down 20% in the first half of 2019, following growth of 37% in FY 2018.

### Average growth rate of 37% among H1 2019 top 10 customers

Of the group's 10 largest customers in the first half of the year, 7 posted double-digit growth. Average growth among these operator and service provider key accounts was 37%, accounting for 55% of group activity in the first half of 2019.

The half-year period was marked by growing interest among the key accounts in NFV (Network Functions Virtualization) solutions, major projects for voice router migration to all IP in Europe, the success of new OneOS6 customer roll-outs and significant growth in 200Gb/s optical transport products.

### Planned acquisition by Ekinops of OTN technology

During the last quarter, Ekinops announced the signature of definitive agreements, subject to conditions precedent, for the acquisition of the OTN-Switch (Optical Transport Network) platform developed by Padtec ([see press release of 29 May 2019](#)).

With this acquisition, Ekinops expects to be able to offer a global OTN/DWDM solution for optical networks from early 2020, which will allow flexible processing of data traffic and the development of data flows and protocols transmitted over 200-400G modulated optical carriers, subsequently upgrading to 1TBps (terabyte per second). The new product line will enable Ekinops to target the major operator core network market segment and aim to triple its optical transport product sales within 5 years.

The Group intends to close the acquisition in Q3 2019.

### Expected improvement in operating margins in the first half of 2019

Despite a significant base effect in the first half of the year, Ekinops maintained its growth dynamic, particularly internationally.

Buoyed by this strong level of activity, a gross margin that remains solid and a controlled cost structure, the H1 2019 results, published after trading on 25 September 2019, should show an improvement in EBITDA margin compared to the first half of 2018 (EBITDA margin of 9.5% in H1 2018).

### 2019 financial calendar

Date	Release
<b>Wednesday, September 25, 2019</b>	H1 2019 results (audited)
<b>Wednesday, October 16, 2019</b>	Q3 2019 revenue (unaudited)
<b>Wednesday, January 22, 2020</b>	FY 2019 revenue (unaudited)

All press releases are published after Euronext Paris market close.

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**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.

**EKI** Name: Ekinops  
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Total number of shares: 23,692,152

For more information, visit [www.ekinops.com](http://www.ekinops.com)