



Revenue growth of 9.3% in Q3 2019

PRESS RELEASE

PARIS, October 10, 2019 - Ekinops (Euronext Paris - FR0011466069 – EKI), a leading supplier of telecommunications solutions for telecom operators, has published its revenue for the third quarter of 2019.

€m - IFRS - unaudited	2018	2019	Change
H1 revenue	42.1	45.0	+6.9%
Q3 revenue	20.9	22.9	+9.3%
9-month revenue	63.0	67.9	+7.7%

In the third quarter of 2019, Ekinops generated consolidated revenue of €22.9 million, entailing organic growth of 9.3% (up 7.5% at constant exchange rates) compared to third quarter 2018.

Q3 sales continued to grow steadily despite the exceptionally strong performances recorded in 2018. As a reminder, Q3 2018 accounted for 25% of total business volumes for the year, although it is generally a sluggish period, particularly in EMEA.

Nine-month revenues amounted to €67.9 million, a solid increase of 7.7% (up 6.3% at constant exchange rates) over the period.

United States: 74.3% growth in Q3 2019

Q3 2019 was marked by a slight acceleration in growth, particularly on the international market where sales momentum was highly sustained across all regions.

Ekinops recorded robust third quarter growth of 31.8% on the international market, including a spectacular 74.3% revenue surge in the United States. The Group confirms its expectations that North America will be the fastest growing region in 2019, with full-year growth at least equal to the 33.5% nine-month revenue growth rate.

International business over the nine months ended September 30, 2019 accounted for 66% of Group revenue (vs. 58% in FY 2018): 40% for the EMEA region (Europe, Middle East & Africa excluding France), 15% for the Unites States and 11% for the APAC region (Asia-Pacific). France accounted for the remaining 34% of nine-month revenue.

Outlook

In the short term, strong momentum driven by global key accounts in a number of Ekinops' main focus areas (optical transport at 200Gb/s, migration to the new OneOS6 operating system, virtualized functions, etc.) confirms the Group's outlook for the end of the year and thereafter.

In terms of operating results, the Group confirms expectations of an FY 2019 gross margin towards the upper end of the normative range (50 to 55%) and operating expenses comparable to 2018, excluding the impact of the July OTN technology acquisition, which will generate full-year costs of around €2 million excluding depreciation and amortization.

Financial reporting calendar

Date	Release
Wednesday, January 22, 2020	FY 2019 revenue (unaudited)

Press release is 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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EURONEXT Ticker: EKI
 Total number of shares: 24,095,623
 For more information, visit www.ekinops.com

EKinops contact

Didier Brédy
 Chairman and CEO
contact@ekinops.net

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