



Revenue up 13% for the first nine months of the year 2021 annual targets confirmed

PRESS RELEASE

PARIS, October 12, 2021 - 6:00 pm - Ekinops (Euronext Paris - FR0011466069 – EKI), a leading supplier of telecommunications solutions for telecom operators and businesses, has published its revenue for the third quarter of 2021 (July 1 to September 30).

€m - IFRS Non-audited data	2020	2021	Change	Change at constant exchange rates
Q1 revenue	21.1	23.2	+10%	+12%
Q2 revenue	24.7	27.6	+12%	+14%
Q3 revenue	21.6	24.1	+11%	+12%
9-month revenue	67.4	74.9	+11%	+13%

Double-digit growth continues in Q3 2021

Ekinops reported consolidated revenue of €24.1m in the third quarter of its financial year, reflecting steady growth of 11% from third-quarter 2020. At constant exchange rates, revenue grew 12% on an organic basis¹.

As in the first half of the year, the third quarter was marked by strong sales momentum in Optical Transport solutions in all geographical regions.

In the first nine months of 2021 Ekinops revenue totaled €74.9m, up 11% year on year (+13% organic growth), with both business activities, Access and Optical Transport, contributing to the growth. Thus, the Group is fully on track to meet its guidance of double-digit growth in 2021.

Bolstered by the success of Software Defined Networks (SDN) and virtualization offers, the share of software and services continued to grow, accounting for over 13% of Group revenue at end-September 2021 (compared with 10% for full-year 2020).

¹ With no change in the scope of consolidation, organic growth corresponds to growth at constant exchange rates.

Acceleration of international growth

Growth accelerated internationally in the first nine months, with Ekinops reporting growth of 20% for the period (+14% in H1 2020). At end-September, international operations accounted for 67% of total Group revenue (vs. 63% for full-year 2020).

The EMEA region (Europe - excluding France - Middle East and Africa) posted growth of 24%, with nine-month revenue at €32.6m. The region benefited in particular from the 60% increase in sales of Optical Transport solutions.

North America once again achieved double-digit growth, with revenue of €13m, reflecting strong 21% growth (+28% in USD). The trend was fueled by solid growth in both Access and Optical Transport solutions.

After an 18-month period impacted by the consequences of the pandemic, Asia-Pacific returned to growth in the third quarter, with sales now down by just 7% in the first nine months of the year (compared with -29% in the first six months).

France posted nine-month revenue of €24.7m, down slightly by 3% since the start of the year. This performance should be seen in light of the growth achieved in the same period in 2020 (+11%).

2021 guidance fully confirmed

Thanks to robust business volumes in Q3 2021, Ekinops is confident in its ability to post double-digit growth in 2021, accompanied by a solid operational performance. Nonetheless, the Group remains prudent given the unprecedented and persistent global crisis in the supply of some electronic components.

Ekinops has in the past successfully demonstrated its agility in terms of sourcing and inventory management, as well as its perfect control of the supply chain. In response to the often-substantial price increases of some components, Ekinops has so far managed to pass on a part of the increases to the selling prices of its equipment. More broadly, the increase in the share of software and services in the business mix, together with the upscaling strategy (virtualization, SD-WAN, OTN), contribute to safeguard the Group's margin.

To date, these tensions have had only a slight impact on business activity. The Group thus remains confident that it will meet its annual guidance of double-digit revenue growth together with a gross margin of between 52% and 56%, and an EBITDA margin (target raised end-July) of between 14% and 18%.

Ekinops remains active on the external growth front, continuing to explore all acquisition opportunities that could create value for the company.

Commenting, Didier Brédy, Chairman and CEO of Ekinops, said:

"Ekinops posted a record third quarter despite unprecedented global tensions on electronic components. This reflects a solid performance by the Group, driven by the efforts led across all geographical regions and by our determination to generate strong and lasting growth."

"We are highly satisfied with the continued double-digit growth in North America and EMEA, the initial signs of a recovery in business activity in the Asia-Pacific region, and the robust outlook for our business activities in France between now and the end of the year."

"Despite inflation on component prices, we remain confident that we will meet our targets for the 2021 financial year."

2021 financial calendar

Date	Release
January 12, 2022	FY 2021 revenue
March 8, 2022	2021 annual results

All press releases are published after Euronext Paris market close.

EKINOPS Contact

Didier Brédy
Chairman and CEO
contact@ekinops.com

Investors

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

Press

Amaury Dugast
Press relation
Tel.: +33 (0)1 53 67 36 74
adugast@actus.fr

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 three highly complementary product and service sets:

- EKINOPS 360 provides optical transport solutions for metro, regional and long-distance networks with WDM for high-capacity point-to-point, ring and optical mesh architectures, and OTN for improved bandwidth utilization and efficient multi-service aggregation.
- OneAccess offers a wide choice of physical and virtualized deployment options for Layer 2 and Layer 3 access network functions.
- Compose supports service providers in making their networks software-defined with a variety of software management tools and services, including the scalable SD-WAN Xpress.

As service providers embrace SDN and NFV deployment models, Ekinops enables future-proofed deployment today, enabling operators to seamlessly migrate to an open, virtualized delivery model at a time of their choosing.

A global organization, Ekinops (EKI) - a public company traded on the Euronext Paris exchange - is headquartered in Lannion, France, and operates on four continents.

EKI Name: Ekinops
LISTED ISIN code: FR0011466069
EURONEXT Ticker: EKI
Total number of shares: 25,761,366

For more information, visit www.ekinops.com