



2023 nine-month revenue: €98.8 million,
up +3%

FY 2023 guidance adjusted

PRESS RELEASE

PARIS, October 11, 2023 – 6:00 p.m. - EKINOPS (Euronext Paris - FR0011466069 – EKI), a leading supplier of telecommunications solutions for telecom operators and enterprises, has published its revenue for the third quarter of 2023 (July 1 - September 30, 2023).

€m - IFRS Non-audited data	2022	2023	Change
Q1 revenue	27.8	31.9	+15%
Q2 revenue	35.5	39.2	+10%
Q3 revenue	32.8	27.8	-15%
9-month revenue	96.1	98.8	+3%

Revenue up +3% to €98.8 million for the first 9 months of FY 2023

Ekinops reported consolidated revenue of €27.8 million in Q3 2023, down -15% year-on-year. At constant exchange rates, quarterly sales declined by -13%.

In addition to a very high basis for comparison (+36% growth in Q3 2022), the Group's Q3 performance was impacted by a less buoyant market environment, marked by declining demand and a macroeconomic slowdown. In this context, Access equipment sales were notably affected in France and Asia-Pacific.

For the first nine months of 2023, consolidated revenue was €98.8 million, representing total growth of +3% vs. the same period last year, which represented a particularly high basis for comparison (+28% growth). At constant exchange rates, growth was up +4% over the period.

Growth of +23% for Optical Transport over nine months

The first nine months of 2023 were characterized by the brisk growth in Optical Transport, up +23%, with sales notably doubling in France since the start of the year and increasing by +19% in North America.

Sales for Access solutions were down -10% over the period, with a -19% decline in Q3 alone (reminder: H1 2023 sales declined -5%). In addition to an unfavorable basis for comparison (+26% over nine months in 2022), this decline results from a depressed economic environment, marked by: (i) the slowdown in demand and a growing reluctance among customers to make investments; (ii) more complicated and expensive access to financing for operators; and (iii) cautious inventory management by major operators who had overstocked in response to the electronic components shortage in 2022.

Driven by the success of network virtualization solutions and services, Software & Services posted robust Q3 growth (+44%), accounting for 20% of the Group's total quarterly revenue. As of end-September, Software & Services revenue increased by 13%, representing 15% of the Group's total revenue (vs. 14% a year earlier).

Growth of +22% in North America (in US dollars)

The first nine months showed +6% growth internationally, and a -3% decline in France. International business accounted for 66% of Ekinops' total revenue, versus 64% a year earlier.

North America reported sales of €25.0 million, up +18% Y-o-Y (+22% in USD), driven by strong demand for Optical Transport equipment. This strategic region now accounts for 26% of Group revenue over the period (vs. 22% one year prior).

The EMEA region (Europe, excluding France, the Middle East and Africa), representing 39% of Ekinops' revenue, recorded solid growth of +11% over the first nine months, with an increase in all business lines (+7% for Access equipment and +17% for Optical Transport solutions).

At end-September 2023, revenue for Asia-Pacific – which remains highly concentrated and reliant on just a few key accounts – was down -64% (reminder: revenue up +36% on the same period last year). Over nine months, the region accounted for 2% of Ekinops' total revenue.

Lastly, in its domestic market, sales were down -3% Y-o-Y. In Q3, the downturn was -24% in France (reminder: +59% growth in Q3 2022), due to large inventories among key accounts for Access equipment, the main source of revenue in this market. Conversely, Optical Transport sustained its vigorous momentum with sales doubling since the beginning of the year. Ekinops generated 34% of its nine-month revenue in France.

Didier Brédy, Chairman and CEO of Ekinops, said:

"Given last year's particularly challenging comparative figures, Ekinops' third-quarter performance was penalized by the market environment, higher financing costs and large inventories at our operator customers. Our Access activity was impacted by the health of enterprises – our equipment end-users – and therefore by the economic conjuncture. On the other hand, Optical Transport maintained strong momentum, with revenue expected to top our 2023 targets, driven by sustained demand for bandwidth.

We remain optimistic for the future as the Group will benefit from the rebound in Access equipment sales as the economy recovers, from the growth of Optical Transport sales which continues to outperform the market, and from Software & Services contribution to revenue."

Outlook

In H2 2023, Ekinops is operating in a complex economic and market environment where visibility is weaker. As a result, and in light of its Q3 performance, Ekinops is adjusting its 2023 guidance as follows:

- **single-digit revenue growth**, versus growth of over +12% as previously targeted;
- **EBITDA margin between 13% and 17%**, versus a previous target range between 15% and 19%.

In terms of external growth, Ekinops maintains its ambition to complete a transaction in the months ahead, favoring a non-dilutive source of financing.

2023 financial calendar

Date	Release
January 10, 2024	FY 2023 revenue

All press releases are published after Euronext Paris market close.

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About EKINOPS

Ekinops is a leading provider of open, trusted and innovative network connectivity 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: EKINOPS360, OneAccess and Compose.

- EKINOPS360 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 and SixSq Edge-to-Cloud solutions.

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 operates on four continents.

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Total number of shares: 26,801,716
For more information, visit www.ekinops.com

