

## **secunet Security Networks AG**

### **Group Quarterly Statement, 30 September 2019**

#### **Group sales and EBIT**

In the period from January to September 2019, secunet Group achieved sales revenues of 163.5 million euros. Compared with the revenues in the same period of the previous year (98.0 million euros), this represents an increase of 67% or 65.5 million euros. The growth in sales revenues results primarily from the increased product business (trade goods, licences, maintenance and support). The significantly positive change on the previous year is mainly attributable to the revenues in conjunction with the secunet healthcare connector.

secunet Group achieved earnings before interest and taxes (EBIT) of 22.1 million euros in the first nine months of 2019. Compared with the EBIT in the same reporting period of the previous year (13.7 million euros), this corresponds to an improvement of 8.4 million euros, or 62%.

#### **Segment reporting**

The focus of secunet Security Networks AG's business remains geared towards public-sector clients as the target group. These include authorities in Germany and international and national organisations abroad. They are served by the Public Sector division.

The Public Sector division offers its customers the SINA product family, comprising solutions (software, hardware and management) for highly secure, cryptographic processing, transmission and storage of classified information with varying levels of confidentiality. The Public Sector division also offers products for electronic passports, automated (biometric) border controls and the security infrastructure for the ELSTER electronic tax declaration. Furthermore, the portfolio includes a wide range of IT security products and services for public customers, ranging from IT security consulting and training to the equipment of large infrastructures with high-security technology and public key infrastructures.

Sales in the Public Sector business unit increased by 31% or 26.7 million euros year on year, from 85.9 million euros in the period from January to September 2018 to 112.6 million euros in the reporting period. This means that the Public Sector division contributed 69% to Group sales revenues (previous year: 88%). EBIT in the Public Sector division improved from 12.7 million euros during the first nine months of 2018 to 17.3 million euros during the same period of the current year.

Due to the high sales revenues with the secunet healthcare connector, the contribution of the Business Sector division to the Group's sales revenues rose considerably from 12% in the previous year to 31%.

The Business Sector division offers IT security consulting and solutions for the healthcare market, the automotive industry and for providers in the field of critical infrastructures. Activities in the target healthcare sector market made a very successful start: as a result of sales revenues in conjunction with the secunet healthcare connector, revenues in the Business Sector division in the first nine months of 2019 rose sharply by 38.8 million euros to 50.9 million euros compared with the previous year's level (12.1 million euros).

The Business Sector division achieved an EBIT of 4.8 million euros in the first nine months of 2019 after 1.0 million euros in the same period of the previous year. The improvement in EBIT is essentially attributable to business in conjunction with the secunet healthcare connector.

### **Cash flow and liquid assets**

4.4 million euros in cash and cash equivalents was disbursed during the first nine months of the 2019 financial year, compared with 36.2 million euros in the previous year. The change in the cash flow is mainly attributable to the high cash inflows from operating activities.

Cash holdings amounted to 51.7 million euros as at 30 September 2019, compared with 56.1 million euros as at 31 December 2018.

### **Order book**

As at 30 September 2019, the order book of secunet Security Networks AG in accordance with IFRS amounted to 71.2 million euros compared with 68.6 million euros as at the previous year's reporting date.

### **Outlook**

secunet is excellently positioned in the growth market of IT security. The Management Board assesses business performance so far in 2019 as good. In this context, the Management Board confirms its forecast for the 2019 financial year published on 11 September 2019: sales revenues of around 210 million euros are still expected, with an EBIT of around 32 million euros.

Essen, 6 November 2019

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### ***Forward-looking statements***

*This Interim Communication contains statements regarding the future performance of secunet Security Networks AG, as well as economic and political developments. These statements are opinions that we have formed based on the information currently available to us. Should the assumptions on which these statements are based not be applicable or should further risks arise, the actual results may deviate from the results currently expected. We cannot therefore offer any guarantee as to the accuracy of these statements.*

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