



Solid Q4 2020,
revenue at upper end of the target range

FY revenue stable at €93 million

PRESS RELEASE

PARIS, January 12, 2021 - Ekinops (Euronext Paris - FR0011466069 – EKI), a leading supplier of telecommunications solutions for telecom operators and businesses, has posted its revenue for FY 2020 ending December 31, 2020 and announced its financial reporting calendar for 2021.

€m - IFRS - unaudited	2019	2020	Change	Change at constant exchange rates
Q1 revenue	20.8	21.1	+2%	+1%
Q2 revenue	24.3	24.7	+2%	+1%
Q3 revenue	22.9	21.6	-5%	-4%
Q4 revenue	25.6	25.3	-1%	+2%
12-month revenue	93.5	92.8	-1%	+0%

Activity up 2% in Q4 2020 at constant exchange rates

In the fourth quarter of its 2020 fiscal year, Ekinops' consolidated revenue totaled €25.3 million, representing a limited decline of 1.0% (compared to €25.6 million in Q4 2019, up 20.7%).

With business activity remaining solid overall at the end of the year despite the tougher health situation, fourth quarter revenue was at the upper end of the range targeted in early October (quarterly revenue between €22m and €26m). At constant exchange rates, the Group returned to growth in Q4 2020 with a 2% increase in revenue.

Full-year 2020 consolidated revenue fell slightly to €92.8 million, down 0.8%. At constant exchange rates, full-year revenue increased slightly by 0.2% over the year.

Overall, Ekinops held up well against the disruptions of 2020, showing strong momentum in the main strategic areas. The optical transport activity benefited from the contribution of OTN solutions, which acted as a catalyst for WDM product sales. On the access side, sales of mid-range routers with high added value and higher margins doubled in 2020. The company won new contracts and new customers in the virtualization and SD-WAN markets, which are promising segments for 2021 and beyond.

9.0% growth in France in 2020, stability in North America

In 2020, business disruptions due to the coronavirus pandemic (Covid-19) and its economic impacts varied from region to region. International operations accounted for 63% of 2020 revenue (vs. 67% in FY 2019).

In France, a major market for Ekinops, operations remained very solid, with very encouraging annual growth of 9.0% in 2020. France accounted for 37% of Group revenue last year (vs. 33% in 2019).

The Asia-Pacific region was the most heavily impacted by the health situation and lockdown measures. It posted a 24% full-year decline, and accounted for 9% of the Group's business in 2020 (vs. 12% in 2019). The gradual improvement of the health situation in the coming months and the distribution partnership signed with VExpress for Australia and New Zealand should contribute to the region's expected recovery in 2021.

After a solid start to the year, the North America region suffered more from the health crisis in the second half of the year. Revenues remained stable in the region (+0.1%) and increased 2.8% at constant exchange rates, a strong performance despite the context. It accounted for 17% of the Group's business in 2020 (unchanged vs. 2019).

Conversely, the EMEA region (Europe - excluding France - Middle East and Africa) felt the effects of the health crisis in the first half of the year (down 9.1%), before returning to growth in the second half (up 7.5%). As a result, sales in this region fell just 2.4% in 2020 (down 0.3% at constant exchange rates), accounting for 37% of the Group's total revenues in 2020. (vs. 38% in 2019).

Gross margin at the upper end of the range and resilient profitability in 2020

Ekinops' solid performance in Q4 was further strengthened by its gross margin achievement, which for the year is expected to reach the upper end of the 50% to 55% target range.

The control of the cost structure throughout the year and the ability to keep all employees working and productive insured good resilience in terms of profitability (EBITDA margin) in 2020.

Ekinops will announce its 2021 objectives upon the publication of its 2020 annual results on March 3.

Didier Brédy, Chairman & CEO of Ekinops, made the following comments:

"By achieving stable revenue overall in 2020, Ekinops has achieved an excellent relative performance with respect to its market, once again reflecting the quality of the Group's team.

Despite a disrupted market environment, in 2020 we recorded major commercial successes with our new offerings, especially in virtualization, SD-WAN and OTN networks. These solutions, along with the first commercial developments of 5G products from 2021, will help amplify growth momentum as the effects of the health crisis subside."

2021 financial calendar

Date	Release
March 3, 2021	2020 annual results
April 12, 2021	Q1 2021 revenue
May 27, 2021	General Meeting
July 12, 2021	Q2 2021 revenue
July 29, 2021	H1 2021 results
October 12, 2021	Q3 2021 revenue
January 12, 2022	FY 2021 revenue
March 8, 2022	2021 annual results

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 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 Ekinops Corp., a wholly-owned subsidiary, is incorporated in the USA.

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For more information, visit www.ekinops.com