

Press release

secunet Security Networks AG: 2017 Annual Financial Statement, Profit Distribution and Forecast

[Essen, Germany, 22 March 2018] secunet Security Networks AG (ISIN DE0007276503, WKN 727650), a leading German supplier of high-quality and reliable IT security and an IT security partner to the Federal Republic of Germany, publishes its Annual Financial Statements and Annual Report for the financial year 2017 today.

In the 2017 financial year, the sales revenue of secunet Group grew by 42.6 million euros or 37%, from 115.7 million euros in the previous year to 158.3 million euros. This positive development was mainly achieved through a substantial increase in the product business (revenue from commodities, licences, maintenance and support). Sales from services (consultancy business) only increased slightly on the high level achieved in the previous year.

Sales rose for both secunet divisions (Public Sector and Business Sector), with growth clearly focused in the Public Sector division.

The Public Sector division offers customers the SINA product family, alongside a wide selection of products and services connected with IT security for public-sector customers (including IT security consultancy and training; products and consultancy on the subject of electronic passports; advanced border control solutions; and the ELSTER electronic tax return system). Compared to the previous year, sales revenue in the Public Sector division rose by 41% or 40.9 million euros, from 100.2 million euros to 141.1 million euros. The proportion of the 2017 financial year secunet Group sales which was attributable to the Public Sector division therefore equated to 89% (previous year: 87%).

The Business Sector division offers (consulting) services and solutions to meet the specific requirements of companies in the private sector. The consulting services range from security assessments (known as penetration tests) via security consulting, such as those for security



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guidelines and their implementation, up to support for certification projects. Sales in the Business Sector division increased by 11% or 1.8 million euros, from 15.5 million euros in the previous year to 17.3 million euros. Because of the simultaneous significant increase in sales that the Public Sector experienced, the contribution made to Group sales by the Business Sector business unit decreased on the previous year (13%), falling to 11% in financial year 2017.

The earnings before interest and taxes (EBIT) of secunet Group increased by 72% compared to the previous year, rising from 13.7 million euros to 23.5 million euros. This improvement in EBIT resulted primarily from significantly increased revenue in the product business. Expenses grew only by a disproportionately low amount compared to revenue. At the same time, good capacity utilisation in the consultancy sector continued to have a positive effect.

secunet Group generated a Group net income of 15.9 million euros in the 2017 financial year, corresponding to an increase of 6.7 million euros or 72% compared to the previous year (9.2 million euros). Diluted and undiluted earnings per share in 2017 stood at 2.45 euros, compared with 1.43 euros in the previous year.

Net income for secunet Security Networks AG for the year increased from 9.4 million euros in 2016 to 15.5 million euros in the 2017 financial year. Shareholders of secunet AG participate in the company's success: at the Annual General Meeting – due to take place on 9 May 2018 in Essen, Germany – the Supervisory Board and Management Board of secunet Security Networks AG will recommend that a dividend of 1.20 euros be paid out for each no-par value share that is entitled to dividend (previous year: 0.58 euros).

Dr. Rainer Baumgart, Chairman of the Management Board at secunet Security Networks AG, commented: "We have achieved record results for the fourth time in a row, with our strategy of concentrating on high-quality cybersecurity. Crucial for the success of digitisation is the massive investment in IT security that it requires. This forms the



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foundation for a confident outlook with respect to our company's long-term future development."

The secunet Group order book in accordance with IFRS was 57.7 million euros at year-end 2017, and therefore below the level recorded at the previous year's reporting date (70.8 million euros). Due to the protracted process of forming a government in Germany, many secunet customers are still subject to provisional budget management measures, and a rather weak first half of 2018 is anticipated as a result.

The secunet AG Management Board is therefore taking a correspondingly conservative approach to formulating its outlook for secunet Group results in the 2018 financial year. It is anticipated that revenues and EBIT will be slightly below the previous year's level.

More information can be found at www.secunet.com. Next date in the financial calendar: 4 May 2018: Publication of the Quarterly Group Communication regarding the period ending 31 March 2018.

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Contact

Dr Kay Rathke
Head of Investor Relations

Patrick Frantza
Deputy Press Officer

secunet Security Networks AG
Kurfürstenstraße 58
45138 Essen, Germany
Tel.: +49 201 5454-1234
Fax: +49 201 5454-1235
Email: presse@secunet.com
<http://www.secunet.com>

About secunet

secunet is one of the leading German providers of high-quality IT security. Over 400 experts work in the areas of cryptography, eGovernment, business security and automotive security, and develop innovative products in these fields in addition to highly secure and reliable solutions. secunet has more than 500 national and international customers, with many DAX companies among them, as well as numerous authorities and organisations. The company is an IT security partner to the Federal Republic of Germany and a partner of the German Alliance for Cyber Security. secunet was founded in 1997 and achieved revenues of 158.3 million euros in 2017. secunet Security Networks AG is listed on the Prime Standard of the German Stock Exchange.

Further information can be found at www.secunet.com.

Disclaimer

This press release contains predictive statements. Predictive statements are statements that do not describe facts of the past; they also include statements regarding our assumptions and expectations. Any statement in this press release that conveys our intentions, assumptions, expectations or predictions (and the assumptions on which they are based) is a predictive statement. These statements are based on planning, estimates and forecasts that are currently available to the management of secunet Security Networks AG. Predictive statements therefore only apply to the day on which they were made. We assume no obligation to update such statements with regard to new information or future events.

