

Press release

secunet Security Networks AG: 2018 Annual Financial Statements and 2019 Forecast

[Essen, Germany, 28 March 2019] secunet Security Networks AG (ISIN DE0007276503, WKN 727650), a leading German supplier of high-quality and reliable IT security, and IT security partner of the Federal Republic of Germany, publishes its Annual Financial Statement and Annual Report for the 2018 financial year today.

In the 2018 financial year, the revenue of secunet Group grew by 5.0 million euros or 3%, from 158.3 million euros in the previous year to 163.3 million euros. With a continued high level of consultant capacity utilisation, the corresponding revenue from services is lower than the figure achieved in the previous year. Noticeable increases have predominantly arisen in the product business (revenue from commodities, licenses, maintenance, and support).

While revenue in the Public Sector business unit has increased, it has decreased in the Business Sector business unit.

The Public Sector business unit offers the SINA product family to customers, 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, revenue in the Public Sector business unit rose by 4% or 6.1 million euros, from 141.1 million euros to 147.2 million euros. The proportion of the 2018 financial year secunet Group revenue which was attributable to the Public Sector business unit therefore equated to 90% (previous year: 89%).

The Business Sector business unit, which to date has concentrated on providers and operators of critical infrastructures as well as the automotive industry, is set to develop its activities in the area of electronic health services. As a result, in 2018 around 4.5 million euros



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was invested in the development of the secunet konnektor for integration into the telematics infrastructure for electronic health cards. This investment tied up extensive capacities in the development of the health konnektor, meaning these were not available for achieving (consultancy and development) revenue. Accordingly, revenue in the Business Sector was 16.1 million euros in the 2018 financial year, following 17.3 million euros in the previous year. The contribution made to Group revenue by the Business Sector decreased on the previous year (11%), falling to 10% in financial year 2018.

The earnings before interest and taxes (EBIT) of secunet Group increased by 15% compared to the previous year, rising from 23.5 million euros to 26.9 million euros. This improvement in EBIT resulted primarily from increased revenue in the product business, with a simultaneous disproportionately small increase in expenses.

secunet Group generated a Group net income of 17.8 million euros in the 2018 financial year, corresponding to an increase of 1.9 million euros or 12% compared to the previous year (15.9 million euros). Diluted and undiluted earnings per share stood at 2.77 euros in 2018, compared with 2.45 euros in the previous year.

Net income for secunet Security Networks AG went from 15.5 million euros in the 2017 financial year to 14.7 million euros in 2018. At the Annual General Meeting, which will take place in Essen on 15 May 2019, the Supervisory Board and the Management Board of secunet Security Networks AG will propose the payout of an ordinary dividend in the amount of 1.13 euros per share that entitles the holder to dividends, and an additional extraordinary dividend in the amount of 0.91 euros per share that entitles the holder to dividends, resulting in a total dividend of 2.04 euros for each no-par value share that entitles the holder to dividends (previous year: 1.20 euros).

“secunet achieved excellent results in the 2018 financial year. This shows that our long-term strategy concentrating on premium cyber security is bearing fruit on a sustainable basis,” comments Dr. Rainer



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Baumgart, Chairman of the Management Board of secunet Security Networks AG. “The high demand for reliable IT security made in Germany will also continue to grow. This gives us reason to look to the long-term future development of our company with optimism.”

The secunet Group order book in accordance with IFRS is at 79.7 million euros at year-end 2018, representing a 38% increase since the previous year's reporting date (57.7 million euros).

The excellent business results already achieved in the 2018 financial year represent a challenge for further growth – it is becoming increasingly demanding to surpass the record results. For this reason, the Management Board of the company formulates its expectations for secunet Group for the coming 2019 financial year as follows: a slight increase in revenue is expected. Due to the development of prices and wages, the management Board expects the EBIT margin to be slightly lower year-on-year. Accordingly, an EBIT slightly below the previous year is expected for secunet Group. The secunet konnektor was completed in 2018, and its rollout in German healthcare markets means that a disproportionately high rise in revenue is anticipated in the Business Sector business unit – accordingly, it is expected that the segment's contribution to Group revenue will increase. In line with the increase in the Business Sector's proportion of overall revenue, a greater EBIT is also expected in this business unit.

More information can be found at www.secunet.com. Next date in the financial calendar: 8 May 2019: Publication of the Quarterly Group Communication regarding the period ending 31 March 2019.

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About secunet

secunet is one of the leading German providers of high-quality IT security. Over 500 experts work in the areas of cryptography, e-government, 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, including many DAX companies, public 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 163.3 million euros in 2018. 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.

