

Press release

secunet Security Networks AG: Strong revenue growth in the first nine months, results below previous year

[Essen / Germany, 9 November 2023] secunet Security Networks AG (ISIN DE0007276503, WKN 727650), Germany's leading cybersecurity company, released its Group Quarterly Statement as at 30 September 2023 today. In the first nine months of 2023, secunet Group's revenue increased significantly to 239.0 million euros, reflecting a growth of 12 percent compared to the previous year (213.0 million euros). In the third quarter alone, a revenue of 87.6 million euros was recorded, marking a 13 percent increase compared to the same quarter of the previous year (77.5 million euros).

Both the German and international markets experienced positive growth during the reporting period. Revenue in Germany rose to 217.1 million euros (previous year: 193.0 million euros). In the international market, the company generated revenue of 21.9 million euros (previous year: 20.0 million euros). The share of international business in the total revenue remained stable at 9 percent.

The revenue growth was offset by an increase in costs, resulting from the implementation of forward-looking projects and investments to expand the product portfolio. The company's focus continues to be on the targeted development of a highly secure cloud infrastructure, primarily driven by the SysEleven GmbH, acquired in May 2022. In addition to the effects from the purchase price allocation of SysEleven GmbH, including regular depreciation of identified assets, the necessary personnel expansion for development also contributed to the cost increase. Furthermore, secunet Group experienced a change in the product mix during the reporting period compared to the previous year, leading to different profit margins. Due to these factors, the earnings before interest and taxes (EBIT) for the first nine months of 2023

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amounted to 9.7 million euros, below the previous year's value of 23.9 million euros. In the third quarter of 2023, the EBIT was 5.7 million euros, compared to 9.0 million euros in the same quarter of the previous year.

The Public Sector segment, focusing on federal ministries, national and international government institutions, and defence organizations, saw a revenue increase of 14 percent to 204.3 million euros (previous year: 179.8 million euros). This positive development was mainly due to successful product sales within the SINA family. Despite the revenue growth, the EBIT in the Public Sector decreased to 11.6 million euros (previous year: 23.2 million euros) due to cost developments. The Business Sector segment, serving private sector markets, slightly increased its revenues to 34.7 million euros (previous year: 33.2 million euros). The EBIT amounted to -1.9 million euros (previous year: 0.7 million euros).

The order backlog in the entire group reached a high level as of 30 September 2023 due to a very good order intake. The total fixed orders amounted to 197.0 million euros. This represents a 17 percent increase in the order backlog compared to the previous year's date (168.6 million euros).

"We are very successful in terms of revenue and orders, and we have shown significant growth in the third quarter as well. It is particularly pleasing that this growth encompasses all areas of our company," said Axel Deininger, CEO of secunet Security Networks AG. "The development of our results is influenced by two factors. Firstly, the increased revenue volume is accompanied by a changed product mix, leading to different profit margins – we have sold more hardware products and fewer software licenses. In parallel, we are investing strategically in the future, such as solutions for highly secure cloud infrastructures. These investments also temporarily lead to reduced profitability, but we are convinced that they will secure medium- and long-term success. After this phase of investment and transformation, we aim to return to the margins of the past."

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The revenue for the fiscal year 2023 is expected to be at least 375 million euros (2022: 347.2 million euros). The EBIT is anticipated to be around 42 million euros (2022: 47.0 million euros). This corresponds to an estimated EBIT margin of approximately 11.2 percent (2022: 13.5 percent).

The Group Quarterly Statement as at 30 September 2023 is available for you to download at www.secunet.com.

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Listed: regulated market in Frankfurt (Prime Standard); open market trading in Berlin, Bremen, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart

secunet – protection for digital infrastructures

secunet is Germany's leading cybersecurity company. In an increasingly connected world, the Company's combination of products and consulting assures resilient digital infrastructures and the utmost protection for data, applications and digital identities. secunet specialises in fields with particular requirements on security – such as cloud computing, IIoT, eGovernment and eHealth. With security solutions from secunet, companies can maintain the highest security standards in digitalisation projects and thus expedite their digital transformation.

Over 1000 experts strengthen the digital sovereignty of governments, businesses and society. secunet's customers include federal ministries, more than 20 DAX-listed corporations as well as other national and international organisations. The Company was founded in 1997. It is listed on the SDAX and achieved revenues of around 347 million euros in 2022.

secunet is an IT security partner to the Federal Republic of Germany and a partner of the German Alliance for Cyber Security.

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

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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.