

secunet Security Networks AG

Quarterly Group Statement, 31 March 2017

Group sales and EBIT

In the period from January to March 2017, the secunet Group achieved revenue of 24.7 million euros. When compared to the revenue during the same period of the previous year (19.4 million euros), this represents an increase of 27% or 5.3 million euros, which is primarily due to growth in the product business (hardware and licences).

The secunet Group achieved earnings before interest and taxes (EBIT) of 0.9 million euros in the first three months of 2017. Compared to the EBIT in the same reporting period of the previous year (0.2 million euros), this corresponds to an improvement of 0.7 million euros. The positive trend in earnings is largely due to the increase in product sales.

Segment reporting

secunet Security Networks AG focusses its business on the target group of public sector clients. These include authorities and other public clients in Germany, and international and national organisations abroad. These are supported by the Public Sector business unit; its product portfolio includes High Security solutions connected with the SINA product family, as well as IT security solutions and consulting. Sales in the Public Sector business unit increased by 25% or 4.1 million euros year on year, from 16.2 million euros in the period from January to March 2016 to 20.3 million euros in the reporting period. This means that the Public Sector business unit contributed 82% to Group sales (previous year: 84%). EBIT in the Public Sector business unit improved from 0.7 million euros during the first three months of 2015 to 1.6 million euros during the same period of the current year.

18% of Group revenue (previous year: 16%) was generated in the Business Sector business unit. The Business Sector business unit provides IT security consulting and solutions for companies in the private sector. It specialises in solutions for the automotive industry and for providers in the field of critical infrastructures (including utilities). Sales in the Business Sector business unit increased by 36% or 1.2 million euros year on year, from 3.2 million euros in the period from January to March 2016 to 4.4 million euros in the reporting period. EBIT was -0.7 million euros for the first three months of 2017, following -0.5 million euros for the same period of the previous year.

Cash flow and liquid assets

17.5 million euros in cash and cash equivalents were disbursed during the first three months of the 2016 financial year, compared to 10.6 million euros during the previous year. The increased cash outflow can largely be attributed to the payment of performance-related compensation components to the workforce, as well as the build-up of stock to service ongoing major projects.

Cash holdings therefore amounted to 32.7 million euros on 31 March 2017, compared with 50.2 million euros on 31 December 2016.

Order book

As at 31 March 2017, secunet Security Networks AG's order book according to IFRS totalled 70.5 million euros, up 65 % on the order book as at the previous year's reporting date (42.8 million euros).

Outlook

There have been no changes to the estimates of the Management Board with regard to business development in 2017. The Management Board therefore supports the forecast for the 2017 financial year that was published with the 2016 Annual Report: revenues and the EBIT margin are expected to be slightly below the previous year's level.

Essen, 3 May 2017

Dr Rainer Baumgart

Thomas Pleines

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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