

Third-quarter 2017 revenue: +20%
2017 target confirmed: Revenue of €25m

PRESS RELEASE

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Thorigné-Fouillard, France - **Kerlink** (ALKLK - FR0013156007), a specialist and global leader in network solutions dedicated to the Internet of Things (IoT), today published its third-quarter 2017 revenue.

Group sales remain robust, with revenue up nearly 20% despite the previous year comparison base (growth of 163% in Q3 2016). In the first nine months of the reporting year, aggregate business growth was up 58%, reaching €15m. Strengthened by these favourable developments and excellent visibility for the fourth quarter, Kerlink can confirm its target of €25m in revenue for 2017.

Revenue by business (€K)	At 30 September 2017	At 30 September 2016	Change	Q3 2017	Q3 2016	Change
Public operators	8,222	3,386	142.8%	2,902	2,163	34.2%
Private operators	6,577	5,903	11.4%	1,865	1,819	2.5%
Reference Design	101	133	-24.1%	45	44	2.3%
Total	14,900	9,422	58.1%	4,812	4,026	19.5%

Consolidated revenue under IFRS – unaudited figures

Excellent performance with public operators

In Q3, revenue generated with public operators (historic or alternative) was up more than 34%, reaching €2.9m. This increase reflects excellent performance relative to Q3 2016, up more than 600% thanks to the execution of a major contract with a leading French operator.

Over the course of the first nine months of the reporting year, revenue generated from public operators increased, rising more than twofold (2.4x) to €8.2m.

Going beyond the robust sales growth, the third quarter stood out thanks to the signature of several new orders with operators that are expected to fuel growth over the next few months, such as Yeap! for national roll-out across Argentina by July 2018.

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Private operators: growth in line with expectations

Revenue generated with private operators during the quarter was up slightly (+2.5% to €1,865,000). Over the first nine months of the year, revenue from this business exceeded €6.5m, up 11.4%.

This increase is in line with expectations while operational and sales resources remain highly focused on the fulfilment of existing orders and the increased market penetration towards international telecom operators. More, the sales trend is here again on track, with a number of ongoing consultations in a market that continues to expand.

Lastly, as expected, the contribution of value added services remains limited for the period with their ramp-up hinging on the completion of the major infrastructure deployment projects now underway. Revenue generated by the Reference Design offering (turnkey services for producers of connected objects that want to incorporate an optimised network connectivity solution into their products) also remains modest, with the first significant royalties on agreements signed with manufacturers. The rising importance of the "Kerlink Advanced Services" business unit, unveiled in late September in connection with the announcement of the Group's new organisational structure, should speed up the development of these strategic activities beginning in 2018.

Increase of nearly 20% in international business performance

Revenue by geographic area (€k)	At 30 September 2017	At 30 September 2016	Change	Q3 2017	Q3 2016	Change
NCSA (Americas)	311	87	257.5%	133	38	250%
APAC (Asia-Pacific)	4,613	398	x 11.6	2,234	59	x38
EMEA, excl. France	1,927	1,494	29%	519	804	-35.4%
FRANCE	8,049	7,443	8.1%	1,926	3,125	-38.4%
Total	14,900	9,422	58.1%	4,812	4,026	19.5%

Consolidated revenue under IFRS – unaudited figures

In France and the EMEA region, the decline in third quarter revenue is due to the effects of an unfavourable comparison base reported in business development with public operators.

In the first nine months of the reporting year, revenue generated in France reached €8m, up more than 8%. In the EMEA countries, revenue generated from this region for the first nine months came out at €1.9m, up 29%.

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Internationally, revenue stands at more than €2.8m, up more than threefold over the third quarter of 2016. This increase is particularly noticeable in the Asia-Pacific region, where the Group confirmed a breakthrough. Third quarter revenue for the region came out at more than €2.2m compared to €59,000 for the same period last year. In addition to the execution of a contract signed with Tata Communications in India, this increase was driven by Kerlink's growing reputation as a leader in the deployment of infrastructures and high-quality IoT network services.

In the Americas, third quarter revenue tripled to €133,000. The Group's establishment of a location in Chicago during the summer should help to take full advantage of the opportunities on this major market.

Good visibility for the last quarter

Kerlink enters the last quarter of the year with good visibility, thanks to the quality of its order book and the continuation of its strong sales growth. So far more than 40 major infrastructure deployment projects are under discussion on every continent.

Against this backdrop, Kerlink reaffirms its confidence in its ability to reach €25m in revenue for the 2017 business year, i.e. expected growth of more than 75%.

Revenue of €70m by 2020

In view of this favourable outlook and based on current market trends with both public and private operators, Kerlink can confirm its revenue target of more than €70 million by 2020.

About Kerlink

Kerlink specialises in network solutions for the Internet of Things (IoT). Its mission is to provide its clients – telecom operators, businesses and public authorities – with network solutions (equipment, software and services) dedicated to the Internet of Things. Over the past three years, Kerlink has invested more than €8 million in R&D. In just over 10 years, more than 70,000 Kerlink installations have already been rolled out for more than 260 clients, including GrDF, Suez, Saur and Médiamétrie. Kerlink's solutions equip IoT networks worldwide, with major roll-outs in Europe, South Asia and South America. In 2016, Kerlink generated revenue of €14.1 million, 25% of which internationally. Since 2013, it has posted average annual growth of more than 50%. Kerlink has been listed on the Alternext market since May 2016 and joined the Euronext PEA PME 150 index in October 2017.

For more information, go to www.kerlink.fr and follow us on Twitter [@kerlink_news](https://twitter.com/kerlink_news)

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Upcoming events
2017 full year revenue : 30 January 2018 after market close
www.kerlink.fr



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