

First-half 2020 revenue: €4.8m, -26%

COVID-19 outbreak takes a toll on business activity in H1
Encouraging rally since June

PRESS RELEASE

Thorigné-Fouillard, 23 July 2020, 6:00 p.m.

Thorigné-Fouillard, France - Kerlink (ALKLK - FR0013156007), a French specialist in solutions dedicated to the Internet of Things (IoT), published its first-half 2020 revenue today.

Revenue by business line In thousands of euros	Q2 2020	Q2 2019	Change	H1 2020	H1 2019	Change
Historic and alternative telecom operators	270	561	-52%	790	1,103	-28%
Private operators	1,822	2,852	-36%	3,806	5,181	-27%
Reference design	63	60	+5%	169	178	-5%
Total	2,155	3,473	-38%	4,765	6,462	-26%

IFRS – Unaudited figures

Group business activity declined in the first half of 2020 against an unprecedented economic backdrop and health crisis. The slump, which was a direct result of the COVID-19 outbreak and was primarily concentrated in France, stemmed from postponements of orders that were due for delivery in Q2.

In spite of this context, the Group did not lose any client during the period.

Business activity has been picking up since June, with projects that were temporarily put on hold starting up again and Kerlink winning new clients.

Business activity hit by health crisis in Q2 Encouraging signs of restart since June

This unprecedented situation caused a slump in business activity during the second quarter, both in the historic and private telecoms operator segments, bringing Kerlink's sales growth to a temporary standstill in this priority target market. Nevertheless, and to ensure conditions are optimum in preparation for the recovery, the Group has been pushing ahead with its proactive strategy of strengthening its ecosystem of partners capable of offering its private operator clients end-to-end vertical solutions to speed up the adoption and roll-out of IoT solutions in targeted vertical sectors.

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Revenue by type of sale In thousands of euros	Q2 2020	Q2 2019	Change	H1 2020	H1 2019	Change
Equipment	1,451	2,753	-47%	3,184	4,815	-34%
Services	704	720	-2%	1,581	1,647	-4%
Total	2,155	3,473	-38%	4,765	6,462	-26%

IFRS – Unaudited figures

The Services line, which the Group has been driving to expand in recent months, generated €1.6 million in revenue and accounted for 33% of total sales over the period. The decline in first-half revenue from Services was under control, at 4% relative to the year-earlier period.

Revenue by geographical region In thousands of euros	Q2 2020	Q2 2019	Change	H1 2020	H1 2019	Change
NCSA (Americas)	51	87	-41%	124	112	+11%
APAC (Asia-Pacific)	158	68	+132%	341	343	+1%
EMEA excl. France	712	1,141	-38%	1,827	1,986	-8%
International	921	1,296	-29%	2,292	2,441	-6%
France	1,234	2,177	-43%	2,473	4,021	-38%
Total	2,155	3,473	-38%	4,765	6,462	-26%

IFRS – Unaudited figures

Business momentum was favourable in the Americas at the start of the year. Order intake increased, in step with intensified efforts on the sales front. Sales were up, despite the slowdown in the second quarter due to the economic and health crisis.

In Asia, the upturn in business activity at the end of the second quarter is encouraging. Business activity in France and Europe was worse affected by the introduction of lockdown restrictions.

Despite reduced visibility on the timescale for a return to normal conditions, over the next few months the Group will be able to leverage the advantages of having a fully-integrated business model, combining the sale of some of the world's best network equipment with a range of value-added network services. Its advanced solutions for verticals, such as Facility Management and Contact Tracing, are particularly relevant in the current context. These should drive growth in revenue from sales of services over the coming months and bolster the Group's competitive positioning as soon as the crisis is over, helped by strengthened marketing efforts, notably across digital channels, to adapt to the current state of play.

The Group's firm hand on its finances will help it through this period, with a stronger cash position at end-June 2020 than at end-December 2019. This cash does not include the French state guaranteed loan (PGE), the application for which is currently being processed.

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About Kerlink

Kerlink Group is a leading global provider of connectivity solutions for designing, launching, and operating public & private Internet of Things networks. Its comprehensive product portfolio includes industrial-grade network equipment, best-of-breed network core, operations and management software, value-added applications and expert professional services, backed by strong R&D capabilities. Kerlink specializes in enabling future-proof intelligent IoT connectivity for key verticals such as fleet management, transportation & logistics, retail, asset tracking, and smart metering, as well as smart agriculture & environment, and smart cities, buildings, and factories. More than 120,000 Kerlink installations have been rolled out with more than 330 clients in 69 countries. Based in France, with subsidiaries in the US, Singapore, India, and Japan, Kerlink is a founding and board member of the LoRa Alliance™ and the uCIFI Alliance™. It is listed on Euronext Growth Paris under the symbol ALKLK.

For more information, visit www.kerlink.com or follow us on Twitter [@kerlink_news](https://twitter.com/kerlink_news).



Upcoming events

Half-year results:

24 September 2020, after market close

Q3 revenue

22 October 2020, after market close

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