

Revenue down 6% in a wait-and-see market

Improved cash flow: €5.3m at end-June (+€1.3m)

PRESS RELEASE

Thorigné-Fouillard, France – 11 July 2024, 6.00 p.m.

[Kerlink](#) (AKLK FR0013156007), a French network and IoT solutions provider, published its H1 2024 revenue today.

H1 2024 sales were down 6% to €6.2m compared with €6.6m in H1 2023. This trend in revenue resulted primarily from a decline in services sales, the Group having terminated two Network as a Service (NaaS) contracts signed with players in economic difficulties.

Second-quarter business in the EMEA region was adversely affected by delays in infrastructure orders and by postponed decisions on calls for tenders, impacting the Smart City segment.

Revenue by type of sale In thousands of euros	H1 2024			H1 2023			Chg. H1 24 vs. H1 23
	H1 2024	Q2 2024	Q1 2024	H1 2023	Q2 2023	Q1 2023	
Equipment	4,779	2,238	2,541	4,567	2,371	2,196	+5%
Services	1,463	747	716	2,056	885	1,171	-29%
Total	6,242	2,985	3,257	6,623	3,256	3,367	-6%

IFRS – Unaudited figures

Gross margin remains satisfactory

Sales of network infrastructure equipment accounted for 77% of IoT solution sales in H1 2024, compared with 69% in H1 2023, up 5% from that period to €4.8m. The Group stresses that integrating value-added solutions directly into infrastructure products to make them fully plug & play favours the sale of equipment to the detriment of services, sales of the latter having dipped 29% to €1.5m.

Despite the decrease in services sales, the Group succeeded in maintaining a well-controlled gross margin in first-half 2024.

Cash flow improves on measures implemented in 2023

The measures implemented by the Group in Full Year 2023 have served to improve its cash position, which stood at €5.3m at end-June 2024 compared with €4m at end-December 2023.

The Group pursues its strategy on winning new customers and adjusts its guidance

Kerlink is positioned for numerous commercial consultations, which could be converted in the second half of the year. It remains focused on implementing its strategy to win new customers by harnessing its many strengths, namely an extensive product catalogue with differentiating, high-performance and secure solutions offering the best quality/safety/price ratio on the market.

By more closely involving its partners, which rank as key players in the IoT ecosystem, the Group is confirming that it is now positioned on new projects that should ultimately enable it to reach a new stage in its development.

Through its positioning at the heart of the IoT value chain, Kerlink is able to bring its customers optimal solutions combining intelligence, efficiency, a considerable reduction in GreenHouse Gases (GHG), and a swift return on investment. In a fast-growing LoRa® market, expected to grow from USD 5.6bn in 2023 to over USD 25bn in 2028¹, these key strengths will drive the Group's development in the coming months and years.

In the light of these factors, Kerlink is reaffirming its confidence in its future prospects. But in the short term, given the wait-and-see attitude of the market and reduced visibility on how it will trend in the future, the Group is not able to confirm the financial objectives envisaged last March. At that time, the Group was targeting revenue growth of 20% and positive EBITDA. To date, the sub-double-digit growth now forecast for 2024 is not expected to allow Kerlink to achieve its EBITDA target. However, the business opportunities expected to materialise in the coming months along with the benefits of cost control measures should nevertheless enable the Group to come close to that target.

Appendices

Revenue by activity In thousands of euros	H1 2024	H1 2023
Historical and alternative telecom carriers	458	612
Private carriers	5,784	6,011
<i>Smart City & Quality of Life</i>	1,876	2,722
<i>Smart Building & Industry</i>	3,061	2,399
<i>Smart Agriculture & Environment</i>	846	883
Total	6,242	6,623

IFRS – Unaudited figures

¹ Research & Market Institute "[LoRa and LoRaWAN IoT Markets - Global Forecast to 2028 - \(globenewswire.com\)](https://www.globenewswire.com/press-releases/10711111/0/0/en/lo-ra-and-lo-ra-wan-iiot-markets-global-forecast-to-2028)"



Revenue by geographical area In thousands of euros	H1 2024	H1 2023
NCSA (Americas)	356	387
APAC (Asia-Pacific)	412	251
EMEA	5,474	5,985
Total	6,242	6,623

IFRS – Unaudited figures

About Kerlink

Kerlink is a global provider of connectivity solutions for the design, deployment and operation of public and private Internet of Things (IoT) networks. Its broad portfolio of solutions is based on industrial-grade network equipment and management software, all supported by value-added services and backed by strong R&D capabilities. The Group's commitment to customer success includes a Plug and Play solution that guarantees the association of gateways with third-party LoRa Network Servers (LNS). Kerlink specialises in the deployment of scalable IoT connectivity in three major areas: Smart City & Quality of Life, Smart Building & Industry and Smart Agriculture & Environment.

Over 250,000 installations have been deployed at more than 550 customers in 75 countries. Headquartered in France, with subsidiaries in the United States, Singapore, India and Japan, Kerlink Group is a co-founder and board member of the LoRa Alliance® and the uCIFI Alliance™.

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