



## H1 2024 results

Decline in activity (-6%) despite an increase in equipment sales

Reduction of EBITDA loss related to cost control measures

Cash improvement: €5.3m at 30 June 2024

Good momentum at the start of the second half  
in order intake that will drive the Group in 2025

### PRESS RELEASE

Thorigné-Fouillard, France – 10 October 2024, 6 p.m.

[Kerlink](#) (AKLK FR0013156007), a global provider of solutions dedicated to the Internet of Things (IoT), published its H1 results and Q3 2024 revenue today.

In a difficult economic and geopolitical environment, activity in the first half of 2024 was down 6% to €6.2m, versus €6.6m year-on-year. This level of activity logically impacted the level of results for the period, which were initially expected to show significant improvement.

In this context, the cost control measures initiated in 2023 nevertheless limited the operating loss (EBITDA) to below €1.3m (versus a loss of €1.6m over the same period in 2023).

In the third quarter, revenue, which is traditionally lower, was impacted by delays in orders for infrastructure solutions and postponements of decisions on invitations to tender that affected the EMEA region in the second quarter.

However, the Group has seen a marked improvement in its order intake momentum since the beginning of July. The amount of orders recorded in the third quarter is thus on par with that in the first half of 2024.

This positive momentum enables the Group to anticipate an improvement in activity, which will primarily materialise in 2025.

## Level of activity during the half-year impacted by the termination of two services contracts

The decline in revenue during the first half was mainly due to the **decline in services sales**, with the Group having, as a reminder, terminated two Network as a Service (Naas) contracts signed with players in economic difficulties.

**Sales of network infrastructure equipment** accounted for 77% of revenue in H1 2024, versus 69% in H1 2023. They totalled €4.8m, **up 5%** on a like-for-like basis.

On 8 October 2024, the Board of Directors approved the half-year consolidated financial statements.

### Simplified income statement

In thousands of euros	H1 2024	H1 2023
<b>Revenue</b>	<b>6,242</b>	<b>6,623</b>
<b>Cost of sales</b>	<b>-4,257</b>	<b>-3,970</b>
<b>Gross margin</b>	<b>1,985</b>	<b>2,653</b>
Gross margin rate	31.8%	40.1%
Other operating costs	-3,265	-3,995
Provisions for doubtful receivables	-	-241
<b>EBITDA</b>	<b>-1,280</b>	<b>-1,583</b>
Depreciation and amortisation	-513	-777
<b>Operating income (expense)</b>	<b>-1,793</b>	<b>-2,361</b>
Net financial income	-137	-259
Income tax	-9	-5
<b>Group share of net income</b>	<b>-1,938</b>	<b>-2,624</b>

IFRS – A limited audit by the Statutory Auditor

## Strict cost control reducing the impact of the activity shortfall on results

In addition to the **decline in service revenue impacting the product mix and overall profitability**, the half-year financial statements include a **€0.4m impairment of inventories of finished products, which also impacted the gross margin**. It stood at 31.8%, versus 40.1% in H1 2023.

As mentioned in its previous communication, the Group states that sales prices have been generally held up well. Thus, without this impairment, the gross margin rate would have been 38.7% of revenue during H1 2024.

At 30 June 2024, EBITDA came to -€1.3m, versus -€1.6m in H1 2023. This slight improvement does not fully reflect the benefit of the strict management measures implemented in mid-2023. **The deterioration in the gross margin masks, over the period, the significant efforts made to reduce operating costs, which fell by €730k over the half-year.**

Operating income total -€1.8m compared with -€2.4m in H1 2023, after taking into account the decrease in depreciation and amortisation charges of around €250,000 relative to the year-earlier period.

Financial income came to -€0.1m, versus -€0.3m in H1 2023.

**Net income (Group share) came to -€1.9m versus -€2.6m** on a like-for-like basis.

## Simplified balance sheet

In thousands of euros	30 June 2024	31 December 2023
Net assets and other non-current assets	4,654	5,590
Current assets	14,629	18,640
Of which inventory	11,381	11,654
Cash and cash equivalents	5,297	3,994
<b>Total assets</b>	<b>24,581</b>	<b>28,224</b>
Shareholders' equity	5,916	7,848
Long- and medium-term financial liabilities	10,312	12,047
Other non-current liabilities	699	691
Current financial liabilities	2,832	2,148
Other current liabilities	4,821	5,490
<b>Total liabilities</b>	<b>24,581</b>	<b>28,224</b>

IFRS – A limited audit by the Statutory Auditor

## Improved in cash

At 30 June 2024, Group shareholders' equity stood at €5.9m, compared with €7.9m at 31 December 2023.

Inventories amounted to €11.4m at 30 June 2024, versus €11.7m at 31 December 2023.

**At 30 June 2024, the Group's cash position stood at €5.3m, compared with €4.0m at 31 December 2023.** The implementation of debt rescheduling agreements with the Group's banking partners enabled this positive development. As a reminder, in 2023, the Group had obtained an extension of the loan maturities and a capital exemption for loan instalments for a period of 18 months starting from May.

Financial debt at the period end (excluding lease liabilities under IFRS16) was €12.4m (of which €0.6m factored), versus €13.3m (of which €1.4m factored) at 31 December 2023. In accordance with the agreements reached with its banking partners, the Group will resume repayment of its loan instalments starting in November, with an amount due at the end of 2024 of €366k, corresponding to repayment of the principal for November and December.

At this point, management does not envisage a capital increase or the use of dilutive instruments.

## Third quarter does not reflect the return to good order intake momentum

At the end of September 2024, **Q3 revenue amounted to €1.6m** versus €2.3m at the end of September 2023.

This 30% decrease includes the issuance of **two credit notes for a total amount of €657k**:

- An initial credit note, issued in the Asia-Pacific region (APAC), amounting to €144k for a customer wishing to make a product reference change (refunded equipment and activity shift to the fourth quarter),
- A second credit note amounting to €513k, issued in the Americas (NCSA), for a voluntary goods return from a customer with significant payment delays. This decision illustrates the enhanced control processes and the adjustment of the contractual conditions, particularly in terms of transfer of ownership after the recovery difficulties encountered in 2022.

**Without these deductions, third-quarter revenue would have been €2.3m, equivalent to that of Q3 2023.**

Sales are broken down into sales of network infrastructure equipment (58%) and services (42%).

Over nine months, Group revenue at end-September amounted to €7.9m, versus €8.9m at end-September 2023.

## Management fully mobilised to drive the Group's development in a more favourable commercial environment since mid-2024

The Group expected sales growth and EBITDA to be close to breakeven for 2024. Given the market's wait-and-see approach in H1 and its impact on activity in Q3, these targets are not likely to be met.

However, Kerlink reasserts its **confidence** in its outlook, reflected in **a clear improvement in its order intake momentum since the start of July**.

**These orders should be reflected in revenue, especially in the next financial year.**

Efforts to manage the cost structure and manage cash flow will be continued to secure profitable growth for Kerlink and support the recovery in activity.

**Management is fully committed to the success of the company project and reiterates its confidence in the Group's ability to embark on a sustainable qualitative growth cycle from 2025. Thanks to a strategic shift that is beginning to bear fruit, Kerlink is set to realise, in the coming months, commercial opportunities for large-scale projects led by key accounts.**

## Appendices

Revenue by activity In thousands of euros	Q3 2024	Q3 2023
<b>Historical and alternative telecom carriers</b>	<b>107</b>	<b>78</b>
<b>Private carriers</b>	<b>1,517</b>	<b>2,230</b>
<i>Smart City &amp; Quality of Life</i>	517	477
<i>Smart Building &amp; Industry</i>	748	571
<i>Smart Agriculture &amp; Environment</i>	252	112
<b>Total</b>	<b>1,624</b>	<b>2,307</b>

*IFRS – Unaudited figures*

Revenue by geographical area In thousands of euros	Q3 2024	Q3 2023
NCSA (Americas)	-446	126
APAC (Asia-Pacific)	5	84
EMEA	2,064	2,097
<b>Total</b>	<b>1,624</b>	<b>2,307</b>

*IFRS – Unaudited figures*

## About Kerlink

Kerlink Group is one of the world's leading providers of connectivity solutions for the design, rollout and operation of public and private networks dedicated to the Internet of Things (IoT). Its comprehensive portfolio of solutions includes industrial-grade network equipment, best-of-breed network core, network operations and management software, value-added applications and expert professional services, backed by strong R&D capabilities. More than 200,000 Kerlink installations have been deployed at more than 350 customers in 70 countries. Kerlink is a founding member 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, please visit our website at [www.kerlink.com](http://www.kerlink.com).

Kerlink®, Wirnet® and Wanesy® are registered trademarks of Kerlink SA and its subsidiaries around the world and must not be used without authorisation. All rights reserved.

**SEITOSEI . ACTIFIN**

  
**MAHONEY | LYLE**  
COMMUNICATIONS

### **Kerlink Contact**

#### **Financial Press**

Actifin

Isabelle Dray

+33 (0) 1 56 88 11 29

[isabelle.dray@seitosei-actifin.com](mailto:isabelle.dray@seitosei-actifin.com)

### **Kerlink Press and Analyst Relations**

Mahoney Lyle

Sarah-Lyle Dampoux

+33 (0) 6 74 93 23 47

[sldampoux@mahoneylyle.com](mailto:sldampoux@mahoneylyle.com)

### **Kerlink Investor relations :**

Actifin

Benjamin Lehari

+33 (0) 1 56 88 11 25

[benjamin.lehari@seitosei-actifin.com](mailto:benjamin.lehari@seitosei-actifin.com)



### **Next publication**

#### **FY revenue 2024**

**30 Jan. 2025 after market close**

[www.kerlink.com](http://www.kerlink.com)