

OSE-notification

## Smartoptics Group AS (SMOP) – Q2 2024 financial results

**Oslo, 15 July 2024 - Smartoptics Group AS (Smartoptics, OSE: SMOP) today reported revenues of USD 13.0 (17.0) million in the second quarter of 2024, and an EBITDA\* of USD 1.0 (3.2) million, reflecting continued softness in the market as previously communicated. Anticipating a recovery in the market during the second half of 2024, the company maintains its revenue ambition in the range of USD 100 million by 2025/2026.**

“Smartoptics is in an ideal position to benefit from the robust and lasting growth trends within optical networks, fueled by the increasing demand for bandwidth. The revenue contraction in the second quarter and in the first half-year 2024 mirrors the caution on the customer side due to prolonged macro uncertainty and large project capex constraints. Our core business, smaller projects within enterprise and smaller service providers, continues to be firm, and we see several factors pointing towards a near-term recovery,” says Magnus Grenfeldt, Chief Executive Officer of Smartoptics.

In the second quarter, Smartoptics delivered a gross margin of 47.3% (49.2%), and an EBITDA margin of 7.8% (18.7%).

“With the current soft market conditions, we put cost discipline high on our priority list. Hence, it is satisfactory to deliver a consistently high gross margin. The reduced revenue has lowered the EBITDA margin, but crucially, we have kept operating expenses steady compared to the first quarter this year and the second quarter last year,” Grenfeldt adds.

With high activity in Americas and improvement in Europe Smartoptics sees several factors that can lead to a return to growth. New product launches and solid traction among larger clients, is expected to contribute.

“We have launched our new 34-degree ROADM and SoSmart 5.0, which greatly enhances our offering for larger networks. The reception has been very good, and the products were ordered before the release, which is rare in this industry. Additionally, we are in the final rounds of vendor selection for large customers both in EMEA and Americas, and in the second quarter we received the first order from previously communicated cloud service provider customer,” Magnus Grenfeldt concludes.

### **QUARTERLY PRESENTATION:**

Smartoptics hosts a webcast quarterly presentation followed by Q&A today at 08:00 CET. Participants are CEO Magnus Grenfeldt and CFO Stefan Karlsson.

Webcast link: [https://channel.royalcast.com/landingpage/hegnarmedia/20240715\\_1/](https://channel.royalcast.com/landingpage/hegnarmedia/20240715_1/)

A recorded version of the presentation will be available after the live stream is concluded.

Please find the full financial report and presentation enclosed.

\*) EBITDA and other alternative performance measures (APMs) are defined and reconciled to the IFRS financial statements as a part of the APM section of the second quarter 2024 financial report on page 13.

### **For further information, please contact:**

Magnus Grenfeldt  
CEO Smartoptics  
+46 73-366 88 77  
E-mail: [magnus.grenfeldt@smartoptics.com](mailto:magnus.grenfeldt@smartoptics.com)

### About Smartoptics:

Smartoptics provides innovative optical networking solutions and devices for the new era of open networking. Our customer base includes thousands of enterprises, governments, cloud providers, Internet exchanges as well as cable and telecom operators. We have an open networking approach in everything we do which allows our customers to break unwanted vendor lock-in, remain flexible and minimize costs. Our solutions are used in metro and regional network applications that increasingly rely on data center services and specifications. Smartoptics is a Scandinavian company founded in 2006. We partner with leading technology and network solution providers such as Brocade, Cisco and Dell and have a global reach through more than 100 business partners.

For additional information about Smartoptics, please visit [smartoptics.com](http://smartoptics.com)

This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act. This stock exchange announcement was published by Per Burman, Chief Marketing Officer of Smartoptics, at the time and date set out above.