

Press Release

Smartoptics Group AS (SMOP) – Q3 2024 financial results

Oslo, 23 October 2024 – Smartoptics Group AS (Smartoptics, OSE: SMOP) today reported revenues of USD 13.0 million in the third quarter of 2024. This is unchanged compared to the second quarter 2024 and a decline of 4.5 percent from the third quarter 2023. EBITDA was USD 1.1 million (2.7 million in the third quarter 2023). The gross margin was sequentially stable at 47.4% in the third quarter (50.0%), and the EBITDA margin was 8.3% (19.8%), a sequential improvement from 7.8%.

While the result reflects continued softness in the market it is also a demonstration of a sequential stabilization.

“The development in the third quarter is a clear indication of the anticipated turnaround towards the end of 2024. Our core business addressing enterprise customers and smaller service providers remain solid. Our gross margins remain high, and with tight cost control, we have a firm basis for profitable growth and margin improvement when the market picks up,” says Magnus Grenfeldt, Chief Executive Officer of Smartoptics.

The long-term positive trends for optical networks, driven by the ever-growing demand for bandwidth, are more robust than ever. AI is emerging as a stronger driver than before as the need for interconnect data traffic between data centers increases.

So far in 2024, Smartoptics has been very active both with respect to market activities and product launches to position the company for the vast potential in the medium- and large sized operator segment.

“We have developed a strong platform to win medium- and large sized customers. Today, we are announcing a long-term partnership with one of the most important statewide US operators, WIN Technology, operating across Minnesota, Wisconsin, Iowa, Illinois and Michigan. Smartoptics will help WIN strategically expand and modernize their network over the coming years. This win showcases the vast growth opportunity in regional US networks,” says Magnus Grenfeldt.

Quarterly Presentation

Smartoptics will host a presentation of the results by CEO Magnus Grenfeldt and CFO Stefan Karlson today at 09:00 CET at Hotel Continental in Oslo. The presentation will also be streamed live.

Date: Wednesday 23 October 2024

Time: 09:00 CET

Venue: Hotel Continental, Oslo

Language: English

Link: https://channel.royalcast.com/landingpage/hegnarmedia/20241023_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 third quarter 2024 financial report on page 13.

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This information is subject to the disclosure requirements pursuant to Section 5-12 of the Norwegian Securities Trading Act.

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 <https://www.smartoptics.com/>