Financial results 2019: FREQUENTIS continues to grow. The company is in good shape to cope with the effects of COVID-19.

- Frequentis is in good shape in the face of the present coronavirus pandemic
- Revenues grew 6.3% to EUR 303.6 million
- EBIT increased by 10.3% to EUR 17.2 million and the EBIT margin rose from 5.5% to 5.7%
- Order intake rose strongly, by 9.0% to EUR 333.7 million

Frequentis continued to grow profitably in 2019 and the IPO in May 2019 was a milestone in the ongoing development of the company. At the same time, the long-term growth strategy was implemented consistently. For example, with its digital (remote) tower technology and in the area of drones, Frequentis has successfully made new technology usable and acquired the first relevant orders.

"With orders at an all-time high of almost EUR 400 million, our business model, which is sustainable even in times of crisis, and our highly committed team, we are also in good shape to cope with the effects of the coronavirus pandemic. Many thanks to all our customers for working flexibly with us to jointly implement new methods of digitalisation. The travel restrictions remain a challenge because certain tasks can only be performed on our customers’ premises," says Frequentis’ CEO Norbert Haslacher. “2019 provided further evidence that our strategy of positioning the Frequentis Group as an innovation leader, playing an active role in the standardisation of safety-critical applications, building a global distribution network and growing with established customers, is right.

Haslacher sees the high acceptance of the employee participation programme initiated in Austria and Germany in early March 2020 as corroboration of the company’s highly committed team and employees’ high level of confidence in the company and the Executive Board’s crisis management: “In light of the present coronavirus pandemic, we asked our staff whether we should continue with the programme or whether it would be better to postpone it. 70% were in favour of continuing it.”

Installed base business with established customers remains both the guarantor of Frequentis’ stability and its most important growth driver. More than 40% of revenues come from follow-on orders relating to installed systems and solutions. Around half of the installed base business comprised maintenance
contracts. The remainder is split between new products and projects with established customers, established products sold to new customers and, to a small extent, consulting.

"Besides the reliability of our products and systems and the dependability of our employees, our customers value our sound financial base. Combined with the measures we have put in place, we believe we are in good shape to withstand the challenges resulting from coronavirus. As well as ensuring business continuity, the most important factors for us are health of our employees and ensuring that they are able to care for their children and families," says Frequentis' CFO Sylvia Bardach.

**Order intake and orders on hand**
Orders received by Frequentis increased by 9.0% or EUR 27.4 million to EUR 333.7 million in 2019. The regional split was as follows: the European home market remained the dominant market, accounting for 64% of order intake, followed by the Americas (19%), Asia (12%), Australia/Pacific (4%) and Africa (< 2%).

Orders on hand as at 31 December 2019 amounted to EUR 391.5 million, an increase of 10.2% compared with 31 December 2018.

**Revenues and EBIT**
Revenues rose by 6.3% to EUR 303.6 million in 2019, with both segments reporting growth. The regional breakdown was as follows: Europe accounted for 61% of revenues, the Americas for 19%, Asia for 13%, Australia/Pacific for 6% and Africa for 1%, with <1% not allocated to a region.

EBIT increased by 10.3% or EUR 1.6 million to EUR 17.2 million and the EBIT margin (based on revenues) improved from 5.5% to 5.7% in 2019, partly as a result of high-margin projects. The Group’s profit improved by 5.8% to EUR 12.5 million in 2019. Earnings per share were EUR 0.93.

**Dividend proposal**
Taking into account both the increased profit and the uncertainties caused by the coronavirus pandemic, in accordance with the principle of commercial prudence, at the General Meeting the Executive Board will be proposing a dividend of EUR 0.15 per share, which is below the target range set for our dividend policy.
Acquisition of ATRiCS

One milestone so far this year has been the acquisition of a majority stake in ATRiCS, a software company based in Freiburg, Germany, that offers airport-specific software solutions for runway taxi operations management, and related consultancy services for airports and air traffic control organisations. In March 2020, Frequentis acquired 51% of this owner-run business, which was established in 2002. ATRiCS will be consolidated by the Frequentis Group at the start of April. This is Frequentis’ first acquisition since the IPO and the aim is to diversify the product portfolio.

Outlook for 2020

The record order level of EUR 391.5 million as at 31 December 2019 (+10.2% compared with 31 December 2018) is expected to generate revenues of around EUR 215.5 million in 2020, with the remainder being realised in 2021 and subsequent years.

Following a positive start to 2020 with a further increase in order intake, Frequentis’ aim is to raise revenues and order intake further in 2020. That said, the coronavirus pandemic entails risks for the current year. At present, it is not possible to make a reliable estimate of the impact on global growth, project acceptance, the supply chain, the budgets available and the potential postponement of investment – or the resulting effect on revenues and order intake.

Capital expenditure (capex) of around EUR 5 million is planned for 2020. The expenses for in-house research & development activities, in other words R&D that is not based on customer orders, should be around the same level as in 2019 (EUR 22 million). To ensure applications are fit for purpose from the outset, business planning is performed for all research and development activities at an early stage.

About FREQUENTIS

Frequentis, headquartered in Vienna, is an international supplier of communication and information systems for control centres with safety-critical tasks. Such 'control centre solutions' are developed and marketed by Frequentis in the business sectors Air Traffic Management (civil and military air traffic control, air defence) and Public Safety & Transport (the police, fire brigade, ambulance services, shipping, railways). As a global player, Frequentis operates a worldwide network of branches, subsidiaries and local representatives in more than 50 countries.

Products and solutions from Frequentis can be found in over 30,000 operator working positions and in approximately 140 countries. Founded in 1947, Frequentis considers itself to be the global market leader in voice communication systems for air traffic control with a market share of around 30%. In addition, the Frequentis Group's AIM (aeronautical information management) and AMHS (aeronautical message handling) systems, as well as GSM-R systems for Public Transport are industry leading global solutions.

The shares of Frequentis AG are traded on the Vienna and Frankfurt Stock Exchange under the ticker symbol FQT (ISIN: AT0000650009). In 2019, the Frequentis Group had more than 1,800 employees worldwide and generated revenues of EUR 303.6 million and EBIT of EUR 17.2 million.

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