



## euNetworks Reports Third Quarter 2016 Results

**London, UNITED KINGDOM – 10 November 2016** – euNetworks Group Limited, a provider of bandwidth infrastructure services in Europe, announced results for the three months ended 30 September 2016.

- New sales of €869k
- Service installations of €664k
- Disconnections reached €405k, with average churn of 0.9%
- Monthly incremental service revenue of €257k

(€k)	Q3 2016	Q3 2015	% change	Q2 2016	% change
<b>New Sales</b>	869	898	(3)	937	(7)
<b>Installations</b>	664	699	(5)	904	(27)
<b>Monthly Incremental Service Revenue</b>	257	166	55	254	1

  

(€m)	Q3 2016	Q3 2015	% change	Q2 2016	% change
<b>Total Revenue</b>	31.8	29.6	7	32.2	(1)
<b>Recurring Revenue</b>	31.8	29.6	7	32.2	(1)
<b>Gross Profit</b>	24.9	23.0	8	25.2	(1)
<b>Gross Profit Margin %</b>	78.1%	77.6%	1	78.4%	(0.4)
<b>Adjusted EBITDA<sup>(1)</sup></b>	10.8	8.2	33	10.7	1
<b>Capital Expenditure</b>	11.9	11.3	n/a	16.1	n/a
<b>Proxy Cash Flow<sup>(2)</sup></b>	(1.1)	(3.1)	n/a	(5.4)	n/a

1. Adjusted EBITDA means EBITDA before the deduction of share option expense.
2. Proxy cash flow is calculated as Adjusted EBITDA less capital expenditure.

Recurring revenue was €31.8m in Q3 2016, growing 7% from Q3 2015 and growing 9% year to date versus the same period in 2015. Gross profit was €24.9m, up 8% from Q3 2015 and up 10% year to date. Gross margin was 78.1% in Q3 2016, improving from 77.6% in Q3 2015. Adjusted EBITDA was €10.8m in Q3 2016, improving by 33% from Q3 2015 and by 31% year to date.

Capital expenditure supporting revenue growth was €11.9m in the quarter as euNetworks continues to invest for growth. This contributed to proxy cash flow of €(1.1)m in Q3 2016.

“Sales continued to be strong through Q3 2016 after two record quarters,” said Brady Rafuse, Chief Executive Officer of euNetworks. “As previously noted, Q2 2016 performance has benefitted by some dual running euTrade services as a result of the move of a major trading exchange. Operating performance remained strong in Q3 2016 and on a constant currency basis, we have seen double-digit growth in recurring revenue this year. We continue to be pleased with our progress.”

“Our capital expenditure was lower in Q3 2016 following the completion of network expansion projects to [Marseille](#) and [Stockholm](#) in Q2 2016. Further network investment projects are underway and are aligned with our customers’ bandwidth demands. We remain confident about the opportunities these bring us for further growth.”

**Further review and discussion of the performance of the Group for Q3 2016 can be found in the accompanying results supplement available [here](#).**

## About euNetworks

euNetworks is a bandwidth infrastructure provider, owning and operating 13 fibre based metropolitan networks across Europe connected with a high capacity intercity backbone covering 45 cities in 10 countries. The company leads the market in data centre connectivity, directly connecting over 290 in Europe today. euNetworks is also a leading cloud connectivity provider, connecting 15 cloud platforms. The company offers a portfolio of metropolitan and long haul services including Dark Fibre, Metro Wavelengths, Wavelengths, Ethernet, and Internet. Media, finance, content, enterprise and carrier customers benefit from euNetworks' unique inventory of fibre and duct based assets that are tailored to fulfil their high bandwidth needs.

euNetworks Group Limited is headquartered in London. For further information please visit [www.eunetworks.com](http://www.eunetworks.com).

To view the euNetworks map go to <http://map.eunetworks.com/>.

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