



**euNetworks**  
bandwidth. from the ground up.

## euNetworks Reports Fourth Quarter and Full Year 2015 Results

### For the quarter ended 31 December 2015:

- Good sales with a low level of disconnections delivered a solid monthly incremental service revenue performance
- Strong growth in recurring revenue, gross profit and Adjusted EBITDA

**London, UNITED KINGDOM – 3 March 2016** – euNetworks Group Limited, a provider of bandwidth infrastructure services in Western Europe, announced results for the three months ended 31 December 2015 and for the full year 2015. New sales achieved were €819k in Q4 2015, up 4% from Q4 2014. For the full year, new sales increased 12% from 2014. Service installations were €655k in Q4 2015, on slightly lower units installed. For the full year, units installed increased 7%. The level of disconnections in the quarter was low, with average churn at 0.9%, an improvement from 1.3% in Q3 2015. Total monthly incremental service revenue (MISR) was €197k in Q4 2015, up from €124k in Q4 2014 and €166k in Q3 2015. euNetworks delivered strong sales and revenue growth throughout the year.

(€k)	Q4 2015	Q4 2014	% change	Q3 2015	% change
<b>New Sales</b>	819	784	4	898	(9)
<b>Installations</b>	655	735	(11)	699	(6)
<b>Monthly Incremental Service Revenue</b>	197	124	59	166	19

  

(€m)	Q4 2015	Q4 2014	% change	Q3 2015	% change
<b>Total Revenue</b>	30.6	27.2	12	29.6	3
<b>Recurring Revenue</b>	30.6	27.2	12	29.6	3
<b>Gross Profit</b>	23.8	20.8	14	23.0	3
<b>Gross Profit Margin %</b>	77.6%	76.6%	1	77.6%	0
<b>Adjusted EBITDA<sup>(1)</sup></b>	9.9	7.4	34	8.2	21
<b>Capital Expenditure</b>	10.9	6.1	n/a	11.3	n/a
<b>Proxy Cash Flow<sup>(2)</sup></b>	(1.0)	1.3	n/a	(3.1)	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.  
These results are unaudited.

Recurring revenue was €30.6m in Q4 2015, growing 12% from Q4 2014 and 3% from Q3 2015. Gross profit was €23.8m, up 14% from Q4 2014 and 3% from Q3 2015. Gross margin improved to 77.6% in Q4 2015 from 76.6% in Q4 2014 and was in line with Q3 2015.

Adjusted EBITDA was €9.9m in Q4 2015, improving by 34% from Q4 2014 and by 21% from Q3 2015. This was despite the adverse foreign exchange impact in the quarter amounting to €300k.

Capital expenditure supporting revenue growth was €10.9m in the quarter as euNetworks continues to invest for growth. This contributed to proxy cash flow of €(1.0)m in Q4 2015.

For the full year, recurring revenue was €117.2m, growing 14% from 2014. Gross profit was €90.8m in 2015, up 17% from €77.9m in 2014. Adjusted EBITDA reached €33.8m, up 19% from 2014 despite the c€1.2m adverse impact from foreign exchange for the full year. Capital expenditure was €41.1m in 2015, and supported customer related projects and network development initiatives in line with euNetworks' strategy. As a result of that investment, proxy cash flow was €(7.3m) in 2015, down from 2014.

"Our sales performance was strong through 2015, with 12% growth overall," said Brady Rafuse, Chief Executive Officer of euNetworks. "Our operating business continued to

perform strongly and we exited the year with lower disconnections and an average churn below the industry average. We also achieved solid growth in our incremental service revenue.”

“For the quarter and full year 2015, our financial performance remained strong, with 12% growth in recurring revenue and 19% growth in Adjusted EBITDA from 2014,” said Rafuse.

“Our capital expenditure was higher in 2015 in line with our continued strategy of investing in our network in support of customers and our organic growth. Following investment in Paris in October and our long haul Wavelengths network in Germany, we recently announced two new long haul fibre routes to [Marseille](#) following specific customer requests. Capital expenditure will remain higher in 2016 and there are a number of strategic network investments projects that we will announce in due course. We remain confident about the opportunities ahead and the close relationships we have with our customers will continue to drive our development moving into 2016.”

**Further review and discussion of the performance of the Group for Q4 2015 can be found in the accompanying results supplement available here:**  
<http://eun.io/24D8xu3>

### **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 280 in Europe today. euNetworks is also a leading cloud connectivity provider, connecting 12 cloud platforms. The company offers a portfolio of metropolitan and long haul services including Dark Fibre, Metro Wavelengths, Wavelengths, Ethernet, and Internet. Media, finance, 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).

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