

PRESS RELEASE 2017-514

Demand for Networking Technology “Made in Germany” Continues to Grow

Record Results in 2016: 22 Percent Growth for LANCOM Systems

Aachen, July 06, 2017—LANCOM Systems, the leading German manufacturer of networking solutions for business customers and the public sector, concluded fiscal year 2016 with record sales once again. The company grew by 22 percent and, for the first time, generated revenues of over EUR 50 million. Since its foundation in 2002, LANCOM has grown organically and profitably by an average of 14 percent per year (CAGR).

Growth in 2016 was across all product lines—routers & VPN gateways, switches, and wireless LAN. Particularly successful was the extensive portfolio of products for migrating telecommunications networks from ISDN and analog connections to IP-based communications (All-IP). This All-IP transformation is currently underway in Germany, Switzerland and Belgium.

New Impetus for Enterprise Business

Traditionally strong as a supplier of networks to small and medium-sized businesses, LANCOM has worked to establish their WAN, LAN and WLAN portfolios in the enterprise market over the last three years. As a result, in 2016 the enterprise segment achieved strong above-average growth with a sales increase of 47 percent, which significantly expands the company's position in the field of site and store connectivity for large businesses.

Growth Drivers: Digitalization and Software-defined Networking

For 2017 and the coming business years, LANCOM expects further significant growth as a result of fast-paced digitalization in all areas of the private and public sectors, and also with the launch of the LANCOM Management Cloud (LMC) and

the virtual LANCOM vRouter. The vRouter enables the LANCOM operating system LCOS to run on (cloud) servers for the first time.

LMC marks LANCOM's entry into the fast growing market for Software-defined Networking (SDN). In contrast to the solutions available until now, the LANCOM Management Cloud is the basis for integrated network management of the WAN, LAN and WLAN (SD-WAN, SD-LAN, SD-WLAN) by means of a single web- or cloud-based platform. Companies benefit from significant time and cost savings in the configuration, management and monitoring of entire network infrastructures, as well as notable gains in flexibility.

“The outstanding performance in fiscal year 2016 shows that the considerable investment in our portfolio is paying off. We were able to further strengthen our excellent position as a network component provider to SMBs while at the same time gaining a large number of new enterprise customers for our solutions. With more than 7,500 active sales partners today, we are well positioned for continued growth,” explains LANCOM founder and Managing Director Ralf Koenzen.

The LANCOM fiscal year 2016 ended on December 31, 2016. The company currently employs around 280 people, most of whom are based in the company's headquarters near Aachen, Germany.

LANCOM Systems background:

LANCOM Systems GmbH is the leading German manufacturer of networking solutions for business customers and the public sector. LANCOM offers professional users secure, reliable and future-proof infrastructure solutions for local-area and multi-site networks (WAN, LAN, WLAN), as well as centralized network management based on software-defined networking technologies (SD-WAN, SD-LAN, SD-WLAN). The LANCOM routers, gateways and WLAN solutions are developed and manufactured in Germany, and a selection of the VPN portfolio is certified by the German Federal Office for Information Security (BSI) for the protection of particularly sensitive networks and critical infrastructures (EPCIP). LANCOM Systems has its headquarters in Würselen near Aachen, Germany. Customers include small and medium-sized enterprises, government agencies, institutions, and major corporations from Germany, Europe and, increasingly, worldwide.

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