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17 percent sales increase with network technology “Made in Germany”

LANCOM Systems continues its double-digit growth and is investing heavily in research & development

Aachen, June 6, 2018 – The German network manufacturer LANCOM Systems once again looks back on an extremely successful fiscal year. In 2017, the company increased its sales by 17 percent to EUR 58.5 million. The corporate network specialist’s double-digit growth trajectory of 14 percent on average (CAGR) since its foundation thus continues unabated. With the launch of a second development site in Karlsruhe, LANCOM is also further increasing its investments in research and technology.

Ongoing portfolio expansion in the areas of WAN, LAN and WLAN to the enterprise market, plus investments in Cloud-based network management solutions and software-defined networking, are continuing to bear fruit. LANCOM not only grew significantly in the traditional SME segment, the infrastructure manufacturer clearly outpaced the market especially in enterprise and carrier business, in which it achieved a growth of almost 40 percent. Here, LANCOM further strengthened its position in the area of WAN/VPN site connectivity/routing above all.

The excellent development of its extensive VoIP router portfolio also had a very positive impact. In the network conversion taking place at Deutsche Telekom, the devices are being used on a large scale to migrate business-customer connections from ISDN and analog lines to IP-based communications (All-IP).

High investments in research & development

In 2017, LANCOM continued to massively expand resources in the areas of hardware, software and Cloud development. At its headquarters in Würselen, the company not only invested in more personnel and new office space, but also and above all in technical installations. These included a state-of-the-art EMC test chamber, which now helps to make LANCOM Wi-Fi solutions among others ready for the market even more rapidly. In addition, LANCOM opened a new development site in Karlsruhe in October 2017 to reinforce the areas of Wi-Fi, Cloud and security solutions. A total of around 13 percent of annual sales revenues was channeled back into research and development.

Further growth with digitalization & Cloud

In the first quarter of 2018, it already became evident that the LANCOM Management Cloud (LMC) launched in fall 2017 is to become the next great growth driver for LANCOM. The LMC is the first hyper-integrated network management solution in the world for SD-WAN, SD-LAN and SD-WLAN. It gives LANCOM access to the rapidly growing software-defined networking (SDN) market.

SDN is an important lever for successfully implementing digitalization projects in the public and private sectors, which are particularly dependent on agile infrastructures. Today, 40 percent of all new project inquiries to LANCOM are already clearly related to the Cloud.

“A 17 percent growth is a fantastic acknowledgment of our portfolio strategy, which is allowing us more and more to become an all-in-one provider of networking solutions for enterprises and government agencies of all sizes,” says LANCOM founder and managing partner Ralf Koenzen. “We’ve also noticed time and again that ‘Made in Germany’ is not only a convincing promise of quality, but also a significant argument for security and trustworthiness. Coupled with our

innovative Cloud solution, this means we're in an excellent position for further growth."

The LANCOM fiscal year 2017 ended on December 31, 2017. The company currently employs around 330 people at three locations.

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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