



Annual results 2019: Record year for Giesecke+Devrient thanks to growth in digital business

2020-04-02

Munich

Giesecke+Devrient

Giesecke+Devrient (G+D) reports record results for the past fiscal year. The Munich-based group specializing in security technology has seen significant increases in sales and EBIT. A large part of the sales growth stems from the Group's rapidly growing business in digital products and services. Due to the global spread of coronavirus, G+D expects a challenging environment in the 2020 fiscal year and is focusing on protecting its employees, customers and partners.

Giesecke+Devrient (G+D) increased its sales by 9% year-on-year to €2.45 billion in the fiscal year 2019. The solutions and services business in particular recorded strong growth of 33%, while product business remained at the previous year's level. Overall, more than 50% of the increase in sales resulted from digital business models that G+D has been developing around the company's core areas of payment processes, connectivity, identities, and digital infrastructures.

The company's earnings also developed in a very satisfactory manner, with adjusted earnings before interest and taxes (EBIT) coming in at €148 million: 24% higher than in the previous year. Net income rose by 60% to €80 million; at the same time, free cash flow was clearly positive at €70 million.

G+D's innovative strength again proved to be a decisive factor in the company's success in 2019. The company continuously invests in its own research and development (R&D) activities. At €155 million, total R&D expenditure was slightly above the high level of the previous year. G+D is also expanding its digital capacities through company acquisitions, and in 2019, further consolidated its market position as a global partner in the digitization of the cash cycle with the acquisition of Dutch company Transtrack International.

All Giesecke+Devrient business sectors contributed to its positive sales and earnings performance: G+D Currency Technology, G+D Mobile Security, Veridos and securnet.

G+D Currency Technology increased its sales by 7% to €1.13 billion, setting a new sales record for the business sector. High-speed banknote processing systems and the solutions and services business were the main growth drivers.

The **G+D Mobile Security** business sector slightly improved on its previous year's sales level, with a 1% increase to €877 million. The solutions and services business and the expansion of its market position in the eSIM platform business were the main contributors to growth.

The **Veridos** business sector achieved a significant 29% increase in sales year-on-year through organic growth, bringing sales to €232 million. Growth was driven by several major projects, including one in Bangladesh. There was also a growing trend towards digital services such as the digital driver's license.

secunet also had a record year, increasing sales by 39% to €227 million. This was primarily due to high-quality cyber security solutions from the SINA product family and high revenues from the healthcare connector for medical practices. Overall, sales at secunet and Veridos have almost doubled in the last three years.

For the fiscal year 2020, G+D is planning to maintain the high level of sales and earnings achieved in the year under review, and once again expects a distinctly positive free cash flow. However, the consequences of the worldwide spread of coronavirus cannot be estimated at this time. Depending on the extent to which the global economy deteriorates further, an impact on sales and earnings is also expected for G+D.

"Our focus on the four core areas of payments, connectivity, identities and digital infrastructures provides us with a solid business base that is fit for the future. As a result, we are very well positioned to provide technology-based answers to today's central questions. Our outstanding business figures for the past fiscal year show that we are on the right track," commented Ralf Wintergerst, Chairman of the Management Board and Group CEO of Giesecke+Devrient on the occasion of the annual press conference via live stream. "At the same time, we are keeping a close eye on the current developments around coronavirus and take our responsibility very seriously. We are making every effort to protect the health of our employees and have introduced strict preventive measures to this end around the world, while simultaneously ensuring that we continue to deliver in full on our promises to customers and partners even in this difficult situation."

About Giesecke+Devrient

Giesecke+Devrient (G+D) is an international Group providing security technology and headquartered in Munich, Germany. Innovations by G+D make the lives of billions of people in the digital and physical world more secure. With its products and solutions, G+D is one of the market and technology leaders in payments, connectivity, identities, and digital infrastructures.

Established in 1852, the company achieved sales of €2.45 billion in the fiscal year 2019 and employs 11,500 people. G+D has a presence in 33 countries. Its customer base includes central and commercial banks, mobile network providers, automotive manufacturers, health insurance companies, and governments and public authorities. Further information: www.gi-de.com.