



Giesecke+Devrient Continues to Grow – All Business Units Post Positive Earnings

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Giesecke+Devrient

Munich, April 11, 2017 – In the fiscal year 2016, global security technology group Giesecke+Devrient (G+D) posted the highest revenue in the company's history. At around EUR 2.1 billion, the figure was almost four percent above the prior year. The technology group's adjusted earnings before interest and taxes (EBIT) increased by around 23 percent to EUR 125 million, while the EBIT margin grew by 0.9 percentage points to six percent. Despite increased tax expense following the company's reorganization, G+D achieved a strongly positive net income of EUR 52.5 million in the fiscal year ending December 31, 2016, roughly equivalent to the result for the previous year. All four business units – Banknote, Mobile Security, Veridos, and secunet – made a positive contribution to Group earnings before interest and taxes.

- Highest revenue in the company's history at approximately EUR 2.1 billion
- EBIT up by over 23 percent to around EUR 125 million
- New company structure with four independent subgroups
- G+D establishes "G+D advance52" incubator to boost its digital business
- Significant growth of cyber security business envisaged
- Steady revenue and earnings development expected in 2017

"In the 2016 fiscal year, Giesecke+Devrient improved on the good results of the previous year and achieved sustained growth in a competitive environment," commented Ralf Wintergerst, who took over as Chairman of the Management Board of Giesecke+Devrient on November 1, 2016. "Our innovative technologies and services enabled us to find the right solutions to meet the growing security needs of our customers across the globe in 2016."

New company structure

During the last fiscal year, G+D laid the foundations for a new Group structure, which has been in place internally since the beginning of 2017 and will become legally effective in the third quarter of 2017. The G+D Group is being divided into four subgroups, which will be legally independent companies with greater entrepreneurial freedom and responsibility than in the past.

The Banknote and Mobile Security business units have been renamed as part of the new G+D structure. Banknote has become Giesecke+Devrient Currency Technology GmbH, while Mobile Security now operates as Giesecke+Devrient Mobile Security GmbH. The other subgroups are Veridos GmbH – in which G+D holds a majority stake of 60 percent – and listed company secunet AG, where G+D is the majority shareholder with a stake of around 79 percent.

“In adopting this new structure, we have created strong subgroups that are much closer to their markets,” said Ralf Wintergerst. “This means that G+D is in a position to implement customer requirements with even greater speed and precision. The central functions will provide strategic support for the subgroups.”

Business units

At around EUR 928 million, the **Banknote** business unit again made the largest contribution to Group revenue. Revenue increases were achieved in banknote security solutions, plant engineering, and automated cash cycle systems in particular. The business unit finished the fiscal year with the highest order backlog in its history.

The **Mobile Security** business unit achieved a revenue of around EUR 863 million. The business environment is currently characterized by fierce price competition. Revenue increased in India, China, and Indonesia during the 2016 fiscal year. Although EMV migration (migration to payment cards equipped with chip technology) in the USA and the SIM insertion business in Asia remained below the previous year’s level, revenue from software and solutions, local public transportation products, and deliveries to public-sector clients was significantly increased.

Veridos GmbH, a joint venture between G+D and the Federal Printing Office (Bundesdruckerei), achieved growth of around 33 percent in 2016. This was largely due to a substantial increase in its ID card business. Veridos contributed around EUR 183 million to G+D’s total revenue.

Listed company **secunet AG** was able to boost its revenue by 28 percent to around EUR 115 million in 2016. The sales growth and record earnings posted by the company were driven by increasing demand for high-quality, trusted IT security products and services.

Dedicated digitization unit

In May 2017, G+D will launch a unit intended to act as a catalyst for new digital technologies and business models within the company. As a legally independent subsidiary, “G+D advance52” will help the subgroups to expand their digital business in the core areas of payment, identity, and connectivity. The aim is to develop new digital products to market readiness via an accelerated process, working closely with customers, and then hand them over to the subsidiaries for marketing.

Outlook

G+D is optimistic regarding the current fiscal year and expects its revenue and operating result to be similar to the figures achieved in 2016. Continuing strong sales are expected in the subgroup Currency Technology (previously: Banknote), with levels expected to remain the same as in the previous year. G+D expects solid revenue development in the Veridos and secunet subgroups. Thanks to its strong market positioning, Mobile Security has growth opportunities in its solutions business. Especially in the area of cyber security G+D has strong potential to unlock new markets and expand its portfolio with security solutions for connected machines and cars. All subgroups are expected to once again make a positive contribution to earnings during the current fiscal year.

"G+D has the potential to achieve sustained growth in all its business segments," said Ralf Wintergerst. "We specifically intend to expand our global market position as a leading provider of security technologies. We also have the necessary expertise to develop new technologies and services that unlock growth beyond the markets we currently serve."