



PRESS RELEASE

Stockholm, February 11, 2016
Enea (NASDAQ OMX Nordic: ENEA)

Annual Statement 2015

A strong year when all targets were achieved and earnings per share increased by 20 percent

Once again, Enea reported a quarter of record operating profit, operating margin and revenue. For the full year 2015, earnings per share were up by 20 percent, operating profit by 17 percent, and revenue by 12 percent compared to last year. For the third consecutive year, Enea beat its profitability target of a 20 percent operating margin.

- Net sales in the fourth quarter amounted to SEK 126.2 (119.3) million, an increase of 6 percent. Revenue for the full year increased to SEK 481.5 (429.3) million.
- Operating profit for the fourth quarter increased to SEK 32.3 (29.2) million, corresponding to an operating margin of 25.6 (24.5) percent. Operating profit for the full year increased to SEK 110.0 (93.8) million, equating to an operating margin of 22.9 (21.9) percent.
- Earnings per share rose to SEK 1.72 (1.46) for the fourth quarter and SEK 5.49 (4.58) for the full year.
- Cash flow from operating activities was SEK 18.8 (38.5) million for the quarter and SEK 104.6 (116.2) million for the full year. Cash and cash equivalents and financial investments amounted to SEK 203.5 (215.3) million at the end of the quarter.
- The Board proposes that the annual general meeting decides to transfer the equivalent of SEK 4.20 (3.60) per share to the shareholders through an automatic redemption program.

October to December 2015

(fourth quarter previous year in brackets)

- Net sales, SEK 126.2 (119.3) million
- Revenue growth, 6 (12)%
- Revenue growth, currency adjusted, 1 (8)%
- Operating profit, SEK 32.3 (29.2) million
- Operating margin, 25.6 (24.5)%
- Net profit before tax, SEK 33.6 (29.4) million
- Net profit after tax, SEK 27.4 (23.5) million
- Earnings per share, SEK 1.72 (1.46)
- Cash flow (from operating activities), SEK 18.8 (38.5) million
- Cash and cash equivalents and financial investments, SEK 203.5 (215.3) million



Anders Lidbeck, President and CEO comments:

“2015 was a really good year for Enea. Our earnings per share increased by 20 percent year on year. Operating profit was up by 17 percent on the previous year, while revenue rose by 12 percent.

In the fourth quarter of 2015, like the first, second and third quarters, we also set operating profit records for these periods, not only in year-on-year terms, but for the whole of Enea’s history. The fourth quarter was the 11th consecutive quarter of year-on-year profit gains, and the 17th consecutive quarter of margin expansion. The profit gains were due to a combination of revenue growth and our ongoing work on identifying and implementing productivity improvements right across our business. I am pleased that, as well as our record profits, we also significantly advanced Enea’s market positioning in new segments in the year.

Revenue also made satisfactory progress in the period, with 6 percent growth on the corresponding quarter of the previous year. Product-related service sales are continuing to grow, even if growth was somewhat more restrained in the fourth quarter. The high demand for expert services associated with our products is a consequence of a growing number of solutions being based either on open source, or a combination of open source and proprietary software. In overall terms, our service business is continuing to outgrow our software business, which is the main reason for our fourth-quarter gross margin (70.2 percent) being somewhat lower than the corresponding quarter of the previous year (71.5 percent). We also enjoy a good net margin in our service business. Expertise, not confined to our own products, but also the capacity to deliver integrated projects effectively and with high quality, is, and will remain, a key component in a world where open source is getting more important. Accordingly, this business sector is becoming increasingly strategic to Enea.

Our software business grew by 4 percent in the fourth quarter, in year-on-year terms. Revenues from key accounts increased somewhat on the corresponding period of the previous year. These revenues remain heavily dependent on royalty revenues, which were stable in year-on-year terms. In our software business, our realignment to generating a growing share of revenues outside our major accounts continues. The fourth quarter was also a period of several interesting deals and new projects from technology and strategy perspectives. Once again we got confirmation that our current offering is asserting itself well in the market, while we were also able to demonstrate the potential of new business models and new use cases. We secured one of our biggest ever open source deals in the quarter, enhancing our existing OSE product with new functionality. We secured over 30 new business accounts in 2015, and in combination with Linux, our operating system OSE has been designed into two new global LTE projects. I am really delighted about this, and it is so important to Enea.

Our second major realignment is about creating a product portfolio with more offerings based on open source. In this context, our focus is and will remain to develop the offering we already make, and to create something new. Our efforts to secure ourselves more deeply in relevant multinational open source collaborations are continuing at an undiminished pace. In the fourth quarter, we announced a publicly open lab environment within the OPNFV Project (a project initiated by the Linux Foundation with the objective to develop a platform for Network Function Virtualization solutions, based on open source) enabling the development and test of NFV (Network Function Virtualization) solutions based on ARM hardware. The company ARM continues to be an important partner for us in this as well as several other technology areas. This lab environment will be used in our development work in-house, in collaboration with partners, but also as a platform for all-new offerings—notably service business in the NFV segment. We also announced a new version of our middleware product “Element,” whose focus on configuration of network nodes opens up several promising use cases in the growing virtualized (NFV) and software-defined (SDN) network architectures, where the software is no longer linked to specific hardware. During the quarter we also announced a new project, where we are creating an all new, free and open project in the IP communication segment jointly with key players like Nokia and ARM.



The fundamental technology and market trends, as discussed in the above subparagraph, are clear, and we are concentrating just as sharply on being part of these trends by focusing on new technology segments and new business models, while simultaneously continuing to develop our existing business. This gradual but critical realignment progressed well in 2015, and Enea significantly advanced its positioning in new segments.

We are continuing our endeavour to build an even bigger and stronger company that delivers growing value for customers, employees and shareholders. With strong finances, good cash flows and consolidated market positioning, we are prepared for these changes, and view the future with confidence.

For the full year 2015, we achieved our objective of revenue growth and improved earnings per share compared to 2014. Our objective for the full year 2016 is to achieve revenue growth, and we expect earnings per share to improve compared to 2015.”



Press and analyst meeting

Press and financial analysts are invited to a press and analyst meeting where Anders Lidbeck, President and CEO, will present and comment on the report.

Time: Thursday February 11 at 08:30 am CET.

Link: <http://financialhearings.nu/?160211/enea/>

Phone number: SE: SE: +46 8 50556468, UK: +44 2034262845

The full report is published at www.enea.com/investors

This information is such that Enea AB (publ) is to publish in accordance with the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on February 11, 2016 at 7.20 CET.

For more information visit www.enea.com/investors or contact:

Anders Lidbeck, President & CEO

E-mail: anders.lidbeck@enea.com

Sofie Dåversjö, Investor Relations

Phone: +46 70 971 40 05

E-mail: sofie.daversjo@enea.com

About Enea

Enea is a global supplier of network software platforms and world class services, with a vision of helping customers develop amazing functions in a connected society. We are committed to working together with customers and leading hardware vendors as a key contributor in the open source community, developing and hardening optimal software solutions. Every day, more than three billion people around the globe rely on our technologies in a wide range of applications in multiple verticals – from Telecom and Automotive, to Medical and Avionics. We have offices in Europe, North America and Asia, and are listed on NASDAQ OMX Nordic Exchange Stockholm AB. Discover more at www.enea.com and start a conversation at info@enea.com.

Enea®, Enea OSE®, Netbricks®, Polyhedra®, Zealcore®, Enea® Element, Enea® Optima, Enea® LINX, Enea® Accelerator, Enea® dSPEED Platform and COSNOS® are registered trademarks of Enea AB and its subsidiaries. Enea OSE@ck, Enea OSE® Epsilon, Enea® Optima Log Analyzer, Enea® Black Box Recorder, Polyhedra® Lite, Enea® System Manager, Enea® ElementCenter NMS, Enea® On-device Management and Embedded for Leaders™ are unregistered trademarks of Enea AB or its subsidiaries. Any other company, product or service names mentioned above are the registered or unregistered trademarks of their respective owner. © Enea AB 2016.