

2017 Distribution Report - Telecommunication Products



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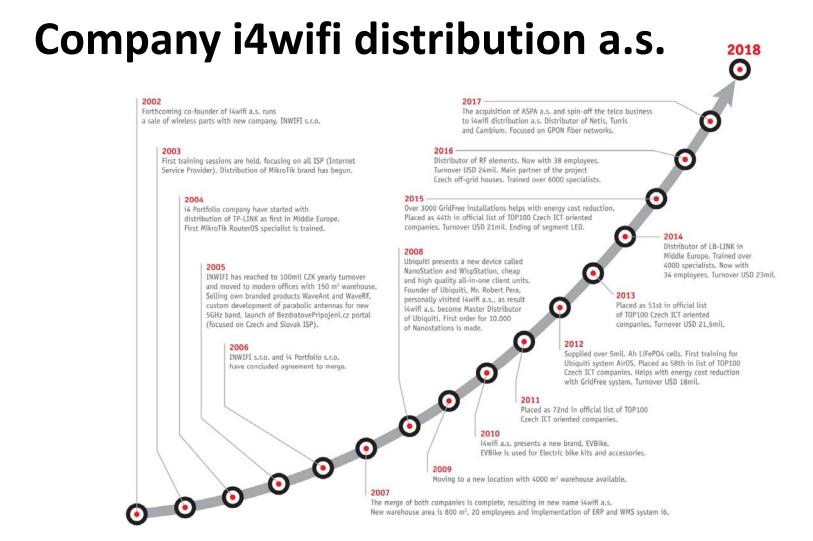


#### Company i4wifi distribution a.s.

- Joint-stock company
- Annual turnover about USD 11 million.
- Specialized in wireless solutions and networking components industry.
- Business activities were launched in 1994 as a private business company.
- Leading wireless component supplier in the Czech Republic since 2002
- Value added distributor









## Corporate philosophy and people

"The one whose main goal is the financial profit, can never be successful."



14 employees after split-off telecommunication business to specialised company i4wifi distribution a.s. work in Sales, Technical (R&D) and Accountant



#### Warehouse

- Over 20,000 packages dispatched, of that 100% as same-day dispatch in the 2017
- **500** packages total capacity per day
- New and safe warehouse
- 3,800 sq m of warehouse space







## Value added distributor - trainings

- i4wifi has certified trainers for Mikrotik and Ubiquiti products
- Over 6800 specialists in Ubiquiti and Mikrotik RouterOS trainings from i4wifi training center
- Other specialized trainings for GPON fiber networks





















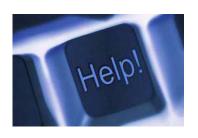






# Value added distributor - support

- 4 technicians support our customers everyday
- About 20 technical questions are solved each day
- Special support for RouterOS, AirOS and GPON technologies











#### Value added distributor - Exhibitions

**MUM – Mikrotik User Meeting.** MUM is the biggest meeting of Corporate network engineers, ISP and companies with MikroTik related products and services. i4wifi attends the MUM as exhibitor.

**CUC – Czech Ubiquiti Conference.** Ubiquiti conferences for advising professionals on how they can optimize their networks with the revolutionary AirMax/UniFi system. i4wifi is organizer of this biggest Czech event in ISP industry.

**Mikroexpo** - Meeting of czech WISP about using not only RouterOS. i4wifi attends each Mikroexpo as speaker.









#### **Main Brands in Distribution**



**Ubiquiti Networks** (USA), producer of 2,4GHz, 5GHz, 10GHz and 24GHz hardware known for its reliability and effectivity fit to any network. From backbone Point-to-Point 24GHz (airFiber), EdgeMAX routers and switches,GPON fiber networks, UniFi enterprise solutions to simple 2,4GHz local AP/CPE.



MikroTik (Latvia) and their powerful operating system RouterOS installed on all RouterBoards with support 2,4GHz, 5GHz and 60GHz bands in main or on powerfull firewall Cloud Core Routers. Offering unmatched configuration options and customatization. Very popular choice of ISP in Czech and Slovak.

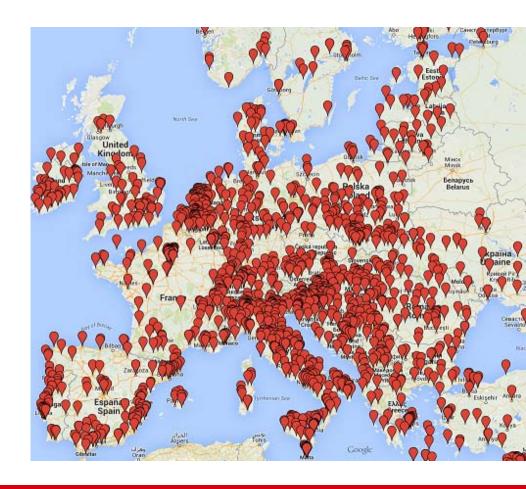


**TP-LINK** (China) produce the SOHO Wi-Fi routers, Swithes, modems and other customer electronic solutions. Brands are most popular in Czech Republic



#### **Customers**

We have a customer base containing about **1500 European providers of internet services (ISP),** resellers and other IT infrastructure providers.
Another 500+ customers who we support by our products and knowledge in their special projects and 43 000+ regular customers





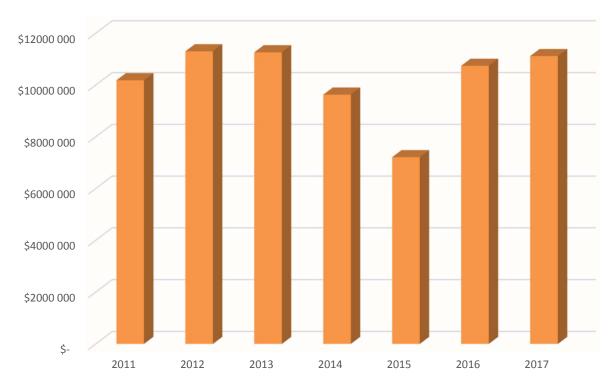
#### **Key Figures of 2017 i4wifi Business**

- Total revenue: USD 11.119 million
- 3% increase of revenue over 2016
- 52% increase of revenue over 2015
- Total amount of units sold: 451,000
   (of that 287,000 items and 164,000 m of wires)



# **History of company Revenues**

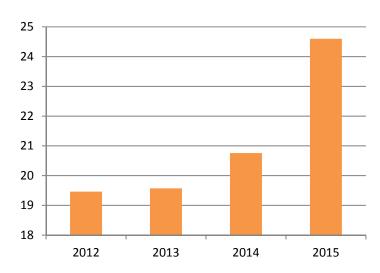






# **Description of company Revenues**

- The year 2017 was a breakthrough for the company. The acquisition of a competing company and the company's split-off according to the products and customers to the two independent companies. i4wifi distribution a.s. is focused on telecommunication products and this report applies only to these products.
- The revenues in 2014 and 2015 were affected by high difference of CZK/USD exchange rate between years 2014/2015 and by project about LED lightning products which was sold to another company in Q1/2015

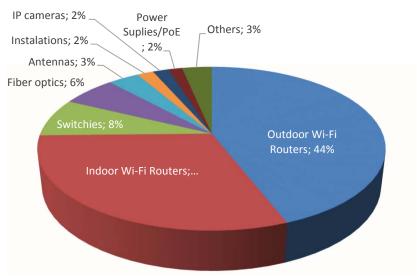




## **Telco Revenue by Product Type**

Wireless popular complete outdoor units in Outdoor Wi-Fi routers category account for 44% of total Telco revenue, supplemented by Indoor Wi-Fi routers (31%) and Switchies (8%) followed by increasing category Fiber optics (6%).

#### **Category Share by Revenue**

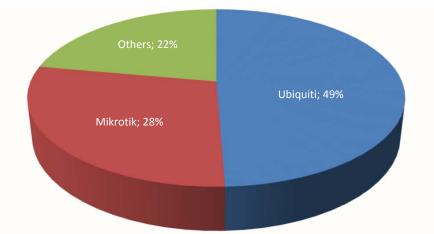




# **Telco Share by Brand - Wireless**

Wireless market is dominated by two leading brands, UBIQUITI specializing in high-speed TDMA AirMax technology + hotspot system UniFi and MIKROTIK specializing in router operating systems. They together account for 77% of total market share. The Others category includes vendors TP-LINK, Netis, Siklu and RFelements in main.



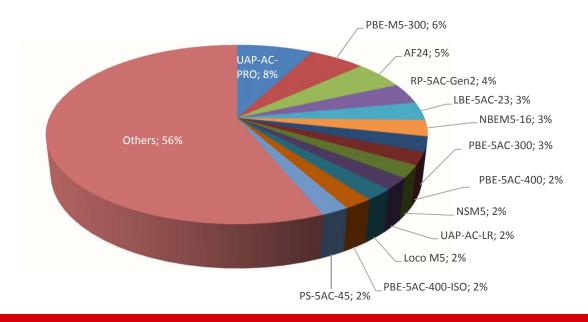




#### **Ubiquiti Products by Revenue**

UBIQUITI new announced UniFi AC hotspots have taken leading share becoming the most popular of the brand. The UniFi AC PRO leads all other AirMAX based products. There are many Ubiquiti products with similar share.



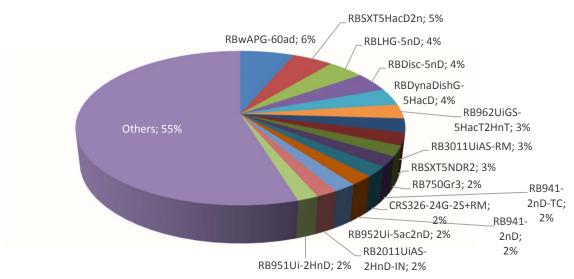




#### MikroTik Products by Revenue

MikroTik product portfolio includes wide range of variants of individual models. The #1 product (accounting for 6% of revenues) is new product Wireless Wire for 60GHz band followed by AC version of SXT Lite5 (5%), RB LHG 5 (4%) and new DISC Lite5 outdoor CPU.



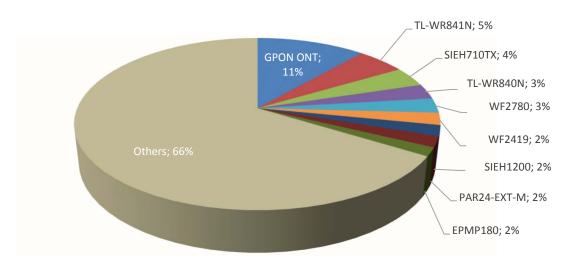




#### **Other Products by Revenue**

The other product category includes Optical Network Terminals for GPON fiber networks, SOHO routers and switches by TP-LINK and Netis vendors and Siklu backhaul links for 80GHz band.

Products Share by Revenue





# **Telecommunication Products - Summary**

In 2017 unit sales price of telecommunication products stay similar as in 2016 but many new Hi-Tec products were launched at higher price.

Both main manufacturers Ubiquiti and Mikrotik launched new valuable products on the market which start favorite very soon at the customers. More and more companies in telco industry start to use products of these manufacturers.

The new products also support latest Wi-Fi platform 802.11ac so many WISPs continue in upgrading of their networks.



#### Doing Business with i4wifi in 2018



We are among the **TOP 100 leading IT companies** in Czech and obtain the CEKIA Stability Award evaluate the stability of company. **We were awarded by the highest grade AAA means excellent stability which has only 2% of Czech companies.** 



For end users of wireless connection services in the Czech Republic and Slovakia, we operate an **on-line service showing a list of ISPs available for a selected ZIP code.** Our business partners (ISPs) are promoted through this service.



We offer wide range of trainings, technical support marketing and storing services.



## **Looking into the Future**

The year 2018 will be marked by products using GPON technology to provide broadband lines for more end user customers.

Our goal for 2018 is to continue with education of our and new customers and choosed the best equipment to help them with building of high quality wired or wireless networks. We will also support our customers by Power backup and solar powering systems for their network equipment.

We invite you to cooperate with us in distribution of your products, utilizing our key competences, quality commitment and dedication to customer service.



#### References























## **Contact Us for Cooperation**

i4wifi distribution a.s.

Prumyslova 11 102 00 Praha 10 Czech Republic – EU

Phone: +420 277 007 500

Fax: <u>+420 277 007 529</u> Mail: export@i4wifi.eu

Skype: i4wifi-export

www.i4wifi.eu

















Our sales and technical departments are ready for you.