

PRESS RELEASE - REGULATED INFORMATION

HYBRID SOFTWARE DELIVERS CONSISTENT PERFORMANCE IN THIRD QUARTER

Cambridge (UK) 23 October 2024 (18.00 CEST) – Hybrid Software Group PLC (Euronext: HYSG) provides a trading update for the nine months ended 30 September 2024.

CEO Mike Rottenborn comments, “Our operating performance for the third quarter was consistent with our performance in the third quarter of last year, with revenue for the period of €11.57 million versus €11.64 million in 2023 and an adjusted operating result for the period of €0.70 million or 6% of revenue versus €0.66 million in 2023. Q3 is normally our weakest quarter in end-user sales because of the summer holiday period, and this year was no exception. However, all of our business segments have experienced year-over-year sales growth for the first nine months of 2024, with consolidated revenues 5.3% higher than the first nine months of 2023. The cost optimizations completed last year contributed to more than €5 million in adjusted operating profit for the first nine months of the year, up 133% from last year. With a busy fourth quarter of trade shows and industry events, as well as continuing momentum from the Drupa show, we anticipate continued good results for the remainder of 2024.”

Sales in the Printhead Solutions segment for the third quarter grew 6.7% over the third quarter of 2023 and 8.3% over the first nine months, continuing the recovery which began last year after the component shortages of 2022 and against a backdrop of industrial sectors experiencing cyclical headwinds, increasing the breadth of its customer base in the process.

The Enterprise Software segment quarterly revenues were in line last year with revenues for the first nine months up 6.1%, with increased sales in the largest regions of DACH and North America to power further growth in the future.

The Printing Software segment saw its third quarter sales decline with 11.5% compared to 2023 but for the first nine months of the year saw its income increase with 2%, as sales of its new Digital Front End, SmartDFE, continues to gain traction. Printing Software has contributed to more than €3 million in adjusted operating profit for the first nine months of the year, up 624% from last year.

Increased sales coupled with continued vigilance on expenses resulted in an EBITDA growth of 50% year-over-year, from 15% of revenue to 22% of revenue.

Financial highlights for the nine months ended 30 September 2024

The following information is unaudited.

For the quarter ended 30 September 2024:

- Revenue for the period was €11.57 million (2023: €11.64 million)
- EBITDA for the period was €2.01 million, or 17% of revenue (2023: €1.95 million, 17% of revenue)
- Operating result for the period was €0.75 million, or 6% of revenue (2023: €0.99 million, 8% of revenue)
- Adjusted operating result for the period was €0.70 million, or 6% of revenue (2023: €0.66 million, 6% of revenue)

For the nine months ended 30 September 2024:

- Revenue for the period was €38.49 million (2023: €36.54 million)
- EBITDA for the period was €8.50 million, or 22% of revenue (2023: €5.66 million, 15% of revenue)
- Operating result for the period was €4.87 million, or 13% of revenue (2023: €2.69 million, 7% of revenue)
- Adjusted operating result for the period was €5.08 million, or 13% of revenue (2023: €2.18 million, 6% of revenue)

Segment analysis

The following tables provide unaudited information about revenue from external customers, EBITDA, operating result and adjusted operating result for the Group's operating segments for the current and previous financial years.

For the quarter ended 30 September 2024:

In millions of euros (unaudited)	Enterprise Software	Printhead Solutions	Printing Software	Group	Total
Revenue from external customers	5.62	3.17	2.78	-	11.57
Segment EBITDA	1.02	0.71	0.69	(0.41)	2.01
<i>as a % of revenue</i>	18%	22%	25%	-	17%
Segment Operating result	0.58	0.56	0.02	(0.41)	0.75
<i>as a % of revenue</i>	10%	18%	0%	-	6%
Segment Adjusted operating result	0.58	0.52	(0.15)	(0.25)	0.70
<i>as a % of revenue</i>	10%	16%	(1%)	-	6%

For the quarter ended 30 September 2023:

In millions of euros (unaudited)	Enterprise Software	Printhead Solutions	Printing Software	Group	Total
Revenue from external customers	5.53	2.97	3.14	-	11.64
Segment EBITDA	1.16	0.62	0.30	(0.13)	1.95
<i>as a % of revenue</i>	21%	21%	10%	-	17%
Segment Operating result	0.90	0.39	(0.17)	(0.13)	0.99
<i>as a % of revenue</i>	16%	13%	(5%)	-	8%
Segment Adjusted operating result	0.69	0.40	(0.30)	(0.13)	0.66
<i>as a % of revenue</i>	12%	13%	(10%)	-	6%

For the nine months ended 30 September 2024:

In millions of euros (unaudited)	Enterprise Software	Printhead Solutions	Printing Software	Group	Total
Revenue from external customers	17.40	9.13	11.96	-	38.49
Segment EBITDA	3.36	1.70	4.34	(0.90)	8.50
<i>as a % of revenue</i>	19%	19%	36%	-	22%
Segment Operating result	2.03	1.21	2.53	(0.90)	4.87
<i>as a % of revenue</i>	12%	13%	21%	-	13%
Segment Adjusted operating result	1.96	1.00	3.04	(0.92)	5.08
<i>as a % of revenue</i>	11%	11%	25%	-	13%

For the nine months ended 30 September 2023:

In millions of euros (unaudited)	Enterprise Software	Printhead Solutions	Printing Software	Group	Total
Revenue from external customers	16.40	8.43	11.72	-	36.54
Segment EBITDA	3.16	1.22	1.95	(0.67)	5.66
as a % of revenue	19%	15%	17%	-	15%
Segment Operating result	2.29	0.78	0.29	(0.67)	2.69
as a % of revenue	14%	9%	2%	-	7%
Segment Adjusted operating result	1.78	0.64	0.42	(0.66)	2.18
as a % of revenue	11%	8%	4%	-	6%

For more information about the Group's operating segments, refer to the annual report for the year ended 31 December 2023, which is available from: <https://www.hybridsoftware.group/investors/financial-reports>.

EBITDA is calculated by adding back interest, tax, depreciation and amortisation to net profit.

Adjusted operating result is calculated starting from IFRS reported operating (loss)/profit from continuing operations and deducting other expenses and capitalised development expenses, and adding back other income, amortisation of acquired intangibles and capitalised development expenses and other non-recurring items in nature.

About Hybrid Software Group

Through its operating subsidiaries, [Hybrid Software Group PLC](#) (Euronext: [HYSG](#)) is a leading developer of enterprise software for industrial print manufacturing. Customers include press manufacturers such as HP, Canon, Durst, Roland, Hymmen, and hundreds of packaging printers, trade shops, and converters worldwide.

Hybrid Software Group PLC is headquartered in Cambridge UK. Its subsidiary companies are colour technology experts [ColorLogic](#), printing software developers [Global Graphics Software](#), enterprise software developer [HYBRID Software](#), 3D design and modelling software developers [iC3D](#), the industrial printhead driver solutions specialists [Meteor Inkjet](#), and pre-press workflow developer [Xitron](#).

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