

SES-imagotag: Record sales growth in 2021 to €423m

- Annual sales of €422.6m, up +46% year-on-year
- Growth in all regions
- Annual order entries at a record level of €601.8m in 2021 (+32%)
- Available cash of almost €90m
- Confidence in the objectives of the VUSION-23 plan

Sales in €m	Europe	Rest of the world	Total
H1 2020	81.2	37.2	118.4
H1 2021	157.1	45.7	202.8
<i>Change (in %)</i>	+93.5%	+22.8%	+71.3%
Q3 2020	48.6	24.8	73.4
Q3 2021	62.4	25.1	87.5
<i>Change (in %)</i>	+28.3%	+1.1%	+19.1%
Q4 2020	76.9	21.6	98.5
Q4 2021	97.4	34.9	132.3
<i>Change (in %)</i>	+26.6%	+62.0%	+34.3%
H2 2020	125.5	46.4	171.9
H2 2021	159.8	60.0	219.8
<i>Change (in %)</i>	+27.3%	+29.4%	+27.8%
FY 2020	206.7	83.6	290.3
FY 2021	316.9	105.7	422.6
<i>Change (in %)</i>	+53.3%	+26.5%	+45.6%

Thierry Gadou, Chairman and Chief Executive Officer: “2021 ended with the acceleration we anticipated, and our teams set new quarterly and annual sales records.

Strong growth in all regions, achieved in a highly unfavorable context with regard to supply chains, was matched by marked growth in solutions and services (VAS¹) with a share of total sales increasing to 15%, and an encouraging order intake which supports our growth forecasts. In addition, we rolled out a business model in line with our strategic plan which strengthened our resilience and profitability in spite of cyclical inflationary pressures on component costs. I am particularly pleased that during 2021 SES-imagotag became one of the top 3% of companies in the world to receive the “Gold Certification” by EcoVadis for our social, environmental, and humanitarian efforts, thus recognizing our Positive Retail and Trade campaign, begun in 2019.

The world’s best retailers choose the VUSION platform and SES-imagotag cannot thank them enough for their trust. My personal gratitude also goes out to all of our employees, who are magnificently committed to this adventure. Although we know that this will be another difficult year in terms of supplies, we are confident regarding the outlook for 2022 and the growth and profitability objectives of our VUSION-23 plan.”

¹ Value-added Software, Solutions and Services.

Record sales growth in 2021 of +46% to €422.6m

Total sales amounted to €132.3m in the 4th quarter, representing growth of +34%. Over this period, sales in Europe reached €97.4m (+27%), whilst growth outside Europe (+62%) reflects the real momentum in America and Asia. However, it remains amplified by the base effect linked to the impact on sales of the pandemic in this region during the 2nd half of 2020.

The year 2nd half was in line with the growth momentum of the last three semesters with sales totaling €219.8m; an increase of +28% compared to the 2nd half of 2020.

Overall, for 2021, sales reached €422.6m, up +46% and exceeding the target of €400m. This performance was driven by strong momentum in all European regions (+53.3%), which represented 75% of the total. Growth outside of Europe reached +26.5%, despite the strain on component supplies: the fourth wave of Covid during the 3rd quarter notably paralyzed, in Vietnam, the Jabil plant which produces the VUSION smart labels for the United States, thereby negatively affecting activity in North America.

The growth in sales from value-added solutions (VAS) was significantly higher than the growth in label sales, such that their weight in the mix has increased from 13% of total activity in 2020 to 15% in 2021. This improvement in the product mix has strengthened the Group's ability to cope with the cyclical increase in the cost of components.

Order entries in excess of €600m, supporting our future growth prospects

Order intake has continued to grow sharply over a number of half-years, reaching impressive levels of approximately €300m per six-month period, thus confirming the trajectory of our VUSION-23 plan.

With an increase of +32% to €601.8m in order entries during 2021, the Group has a book-to-bill in excess of 40%.

Strongest growth was recorded in Germany, France and especially in North America, where order entries more than doubled, reflecting the high demand in these regions.

This strong commercial momentum was marked throughout the year by the signing of major contracts:

- Roll-out of Walmart Canada and several other countries within Walmart International
- Major roll-outs in Germany and Central Europe (Lidl, Edeka, POCO, Rewe Int., etc.), as well as in Italy (Unicoop)
- Renewal of the Sephora contract in all French stores as part of the EcoTag sustainable development approach (collection and repackaging)
- Successful launch of Captana: one year after its commercial launch, the Captana platform for the automated detection of stockouts and the monitoring of shelves through computer vision, artificial intelligence and IoT sensor has exceeded expectations, with more than 50 retailers worldwide undergoing operational testing and a number of further roll-outs already agreed. Monoprix is currently rolling out this solution to 100 of its largest stores at an accelerated rate (one store per day), enabling it to monitor 1 million items in near real time, thus generating substantial time savings and a clear improvement in product availability.

Order entries (in €m)	2020	2021	%
H1	165.5	309.3	+86.9%
Q3	87.7	139.2	+58.7%
Q4	202.2	153.3	-24.2%
FY	455.4	601.8	+32.2%

Good cash flow control in 2021

At the end of December, the Group's net cash position amounted to +€9m (before the impact of IFRS 16), i.e. available cash of nearly €90m.

A year of responsible commitment

In accordance with the approach introduced as part of the roadmap for positive trade presented in 2019, the Group has been following a specific CSR policy.

In January 2021, the Group joined the United Nations Global Compact and thus committed to respecting the ten universally-accepted principles of the United Nations program in the areas of human rights, labor law, the environment, and anti-corruption.

In January 2022, the CSR performance of SES-imagotag was recognized with “Gold” certification from EcoVadis, the leading global collaborative platform for assessing the CSR performance of companies.

SES-imagotag is ranked among the top 3% of the 85,000 companies assessed worldwide by EcoVadis. The Group was assessed on the basis of the quality of its actions and policies in terms of human and labor rights, ethics, sustainable purchasing and the environment. EcoVadis covers all the main aspects of CSR and is a benchmark for the neutral assessment of companies’ environmental, social and ethical performance.

Perspectives

With performance during the 2nd half of the year set to rival that of the 1st half, 2021 will be a year of strong growth and a significant increase in profitability compared to 2020, in spite of supply constraints and the sharp rise in the price of components worldwide.

The structural improvement of its business model provides a strong foundation for the future.

In a global supply chain context that will remain strained in 2022, the Group remains confident in its strong commercial momentum and the continuation of its profitable growth strategy in line with the objectives of its strategic plan.

About SES-imagotag and the VUSION Retail IoT platform

SES-imagotag is a world leader in smart digital labels and IoT solutions for physical retail, serving over 300 large retailer groups around the world in Europe, Asia and North America.

SES-imagotag has developed the VUSION Retail IOT technology platform to help retailers transform their physical stores into high value digital assets, more automated, data-driven, and connected in real-time to suppliers and consumers. VUSION improves the agility, precision and accuracy of prices, whilst ensuring the omnichannel synchronization of prices, product information and marketing campaigns. The platform developed by SES-imagotag also optimizes in-store order preparation and restocking. VUSION improves employee satisfaction by freeing up time from cumbersome low value-added tasks and allowing them to focus on customer service and merchandizing tasks. VUSION connects shelves to the Cloud, providing real-time accurate information on product availability and location, allowing for reduced inventory, out-of-stock and waste, as well as improved on-shelf availability and merchandizing compliance. VUSION empowers consumers with better product, nutritional and traceability information at the shelf and enables a frictionless in-store shopping experience with features such as product search, pathfinding and cashier-less scan & pay features.

SES-imagotag supports the United Nations’ Global Compact initiative and has received in 2022 the Gold Sustainability Rating from EcoVadis, the world’s reference of business sustainability ratings

SES-imagotag is listed in compartment B of the Euronext™ Paris
Ticker: SESL – ISIN code: FR0010282822 – Reuters: SESL.PA – Bloomberg: SES
www.ses-imagotag.com

Contact

Shan – Investor Relations & Financial Communications
Aliénor Kuentz : Tel. : +33 (0)1 42 86 82 45 / sesimagotag@shan.fr