

ses imagotag

# H1 Results

Analysts Conference Call

September 6, 2021

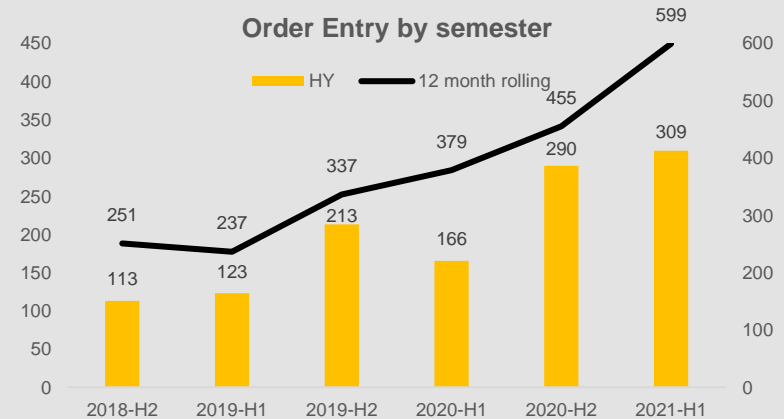
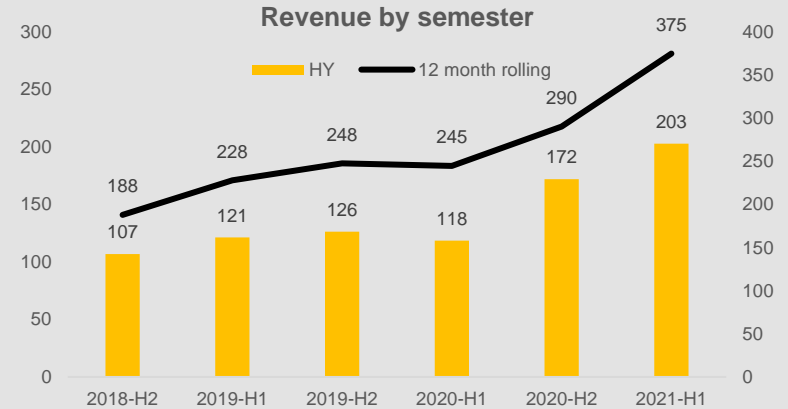


# SES-imagotag: Positive results in the first half of 2021

- **71% growth in sales to €203m (vs. H1 2020)**
- **87% growth in order entries to €309m (vs. H1 2020)**
- **EBITDA growth at €15m, i.e. 7% of sales (vs. -€0.2m / 0% in H1 2020)**
- **Positive net result at €1m (vs. -€9.8m in H1 2020)**

# H1 sales & new Orders

- **H1 revenue above target at €203m (+71% growth vs H1-2020)**
- Cumulated 12 months revenue reach €375m (+53%)
- Strong growth in every regions
  
- **H1 new order entries also increase strongly by +87% at >€300m**
- Multiple wins in Europe and America
- Cumulated 12 months OE reach historic record close to €600m (+58%)



# REVENUES BY GEOGRAPHY (€M)

## EUROPE

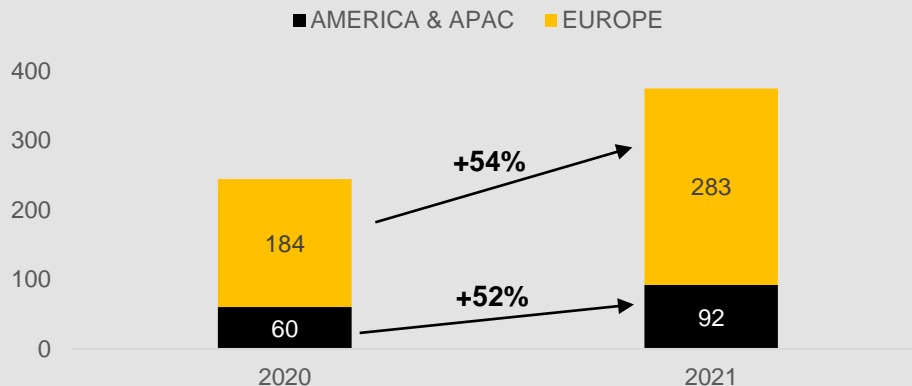
- 12 months growth 54%
- H1 growth +94%

## AMERICA & APAC

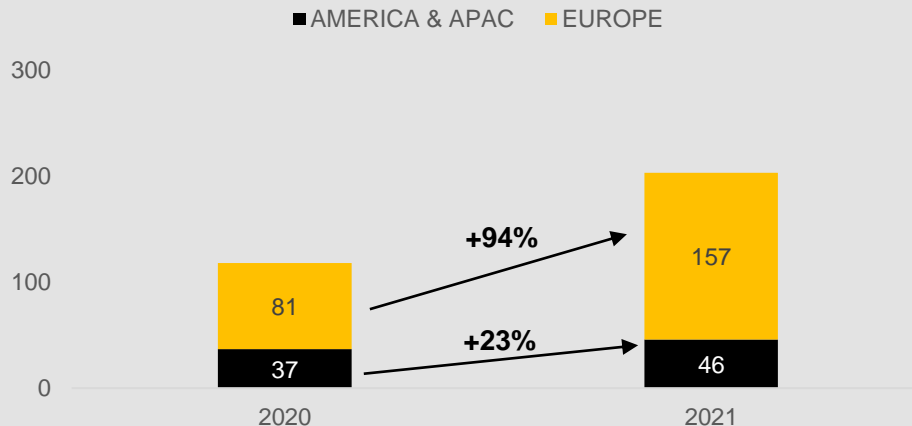
- 12 months growth +52%
- H1 growth +23%

NB: US shipments slowed down in Q2 by IC & components shortage and longer procurement leadtimes

### Rolling 12-month revenue - June 30<sup>th</sup>



### H1 revenue (6 months)



# 2021 H1 RESULTS

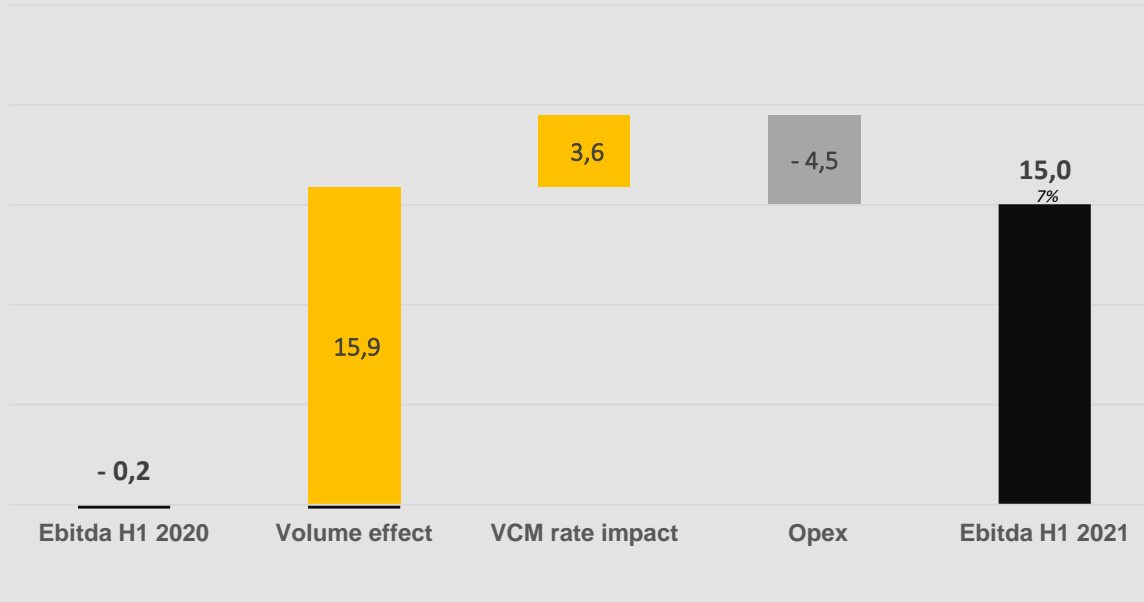
## Improvement on all the lines!

- VCM ratio up by 1.7pt
- Opex ratio down by 6pt
- €15m Ebitda in H1 2021 close to FY 2020 figure
- Net income positive at €1m

	H1 2021	H1 2020	H1 2021 / H1 2020
<b>Revenues</b>	<b>202.8</b>	<b>118.4</b>	<b>+71%</b>
<b>Variable Costs Margin</b>	<b>42.3</b>	<b>22.6</b>	<b>+87%</b>
<i>% of revenues</i>	<i>20,8%</i>	<i>19,1%</i>	<i>+1.7 pt</i>
Opex	(27.2)	(22.8)	20%
<i>% of revenues</i>	<i>13%</i>	<i>19%</i>	<i>-6 pts</i>
<b>EBITDA</b>	<b>15.0</b>	<b>(0.2)</b>	<b>N/A</b>
<i>% of revenues</i>	<i>7%</i>	<i>0%</i>	<i>+7 pts</i>
Depreciation	(11.3)	(8.6)	32%
<b>Current EBIT</b>	<b>3.7</b>	<b>(8.8)</b>	<b>N/A</b>
<i>% of revenues</i>	<i>2%</i>	<i>-7%</i>	<i>+9 pts</i>
Non-recurring / non-cash items	(1.3)	(0.8)	65%
<b>EBIT</b>	<b>2.4</b>	<b>(9.6)</b>	<b>N/A</b>
<i>% of revenues</i>	<i>1%</i>	<i>-8%</i>	<i>+9 pts</i>
Financial Income / (Loss)	(0.9)	(2.5)	-65%
Tax	(0.5)	2.3	-121%
<b>Net Income / (Loss)</b>	<b>1.0</b>	<b>(9.8)</b>	<b>N/A</b>
<i>% of revenues</i>	<i>1%</i>	<i>-8%</i>	<i>+9 pts</i>

# Strong EBITDA improvement at constant EUR/USD exchange rate

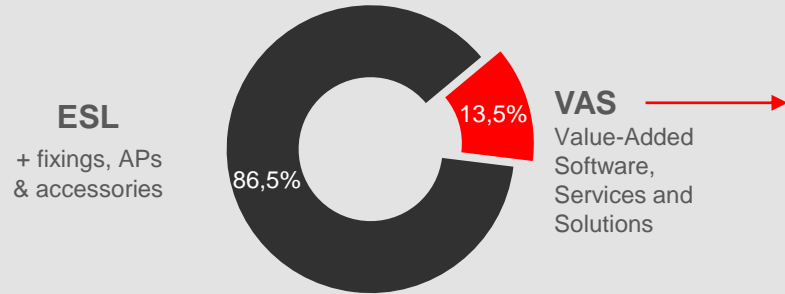
€m



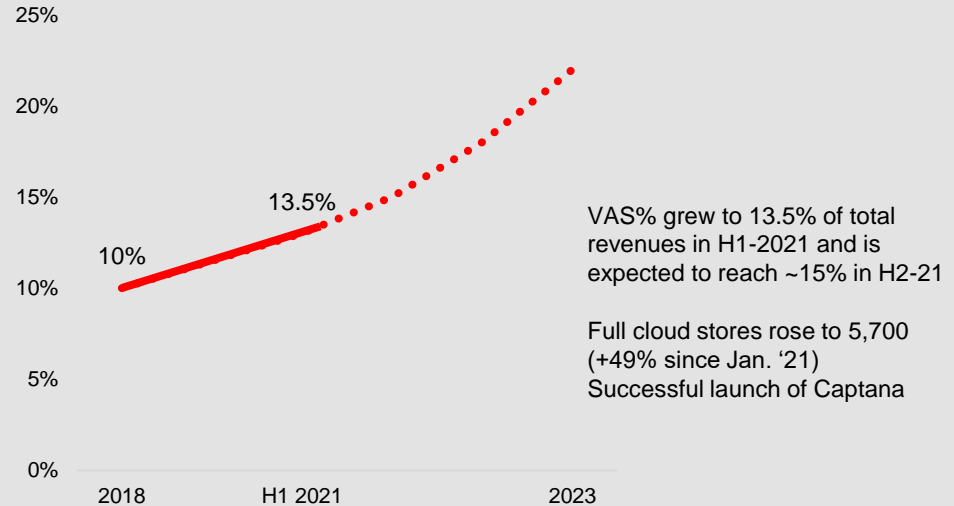
- H1 2021 Ebitda close to FY 2020 Ebitda
- Ebitda growth driven by:
  - Revenue growth
  - Positive EUR/USD
  - Increasing ratio VAS
  - **Despite components shortage / price increase**

# VALUE-ADDED SERVICES (VAS) REVENUES

ESL vs VAS in % of Revenues (H1 2021)



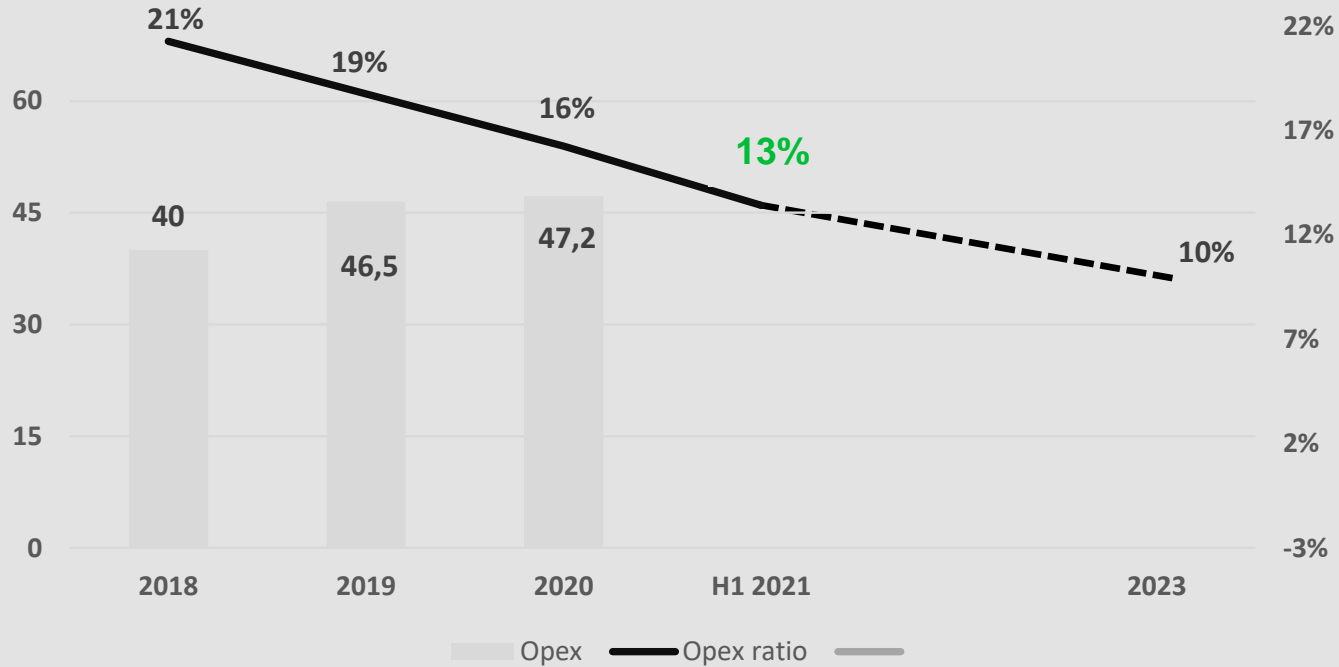
VAS in % of sales



VAS revenues should continue to grow faster than ESL in the future, and reach 20-25% in 2023. This improvement of the revenue mix is one of the profitability drivers as VAS generate better margins.

# Opex ratio continues to improve toward our ~10% target

€m and % of sales





# CAPEX under control

€m	H1 2021	H1 2020
R&D & IT investments	10,2	10.5
Industrial investments	1.3	1.4
Hardware as a service	2.3	2.9
Others	0.5	0.8
<b>TOTAL CAPEX</b>	<b>14.3</b>	<b>15.5</b>

*H1 2020 CAPEX were impacted by SAP initial implementation. IT CAPEX decrease more than offset the increase in R&D in H1 2021 vs. H1 2020*

# Limited and controlled cash consumption

€m / before IFRS16	H1 2021	H1 2020	Reminder: FY 2020
EBITDA	13.9	(1.5)	13.4
Capex	(14.4)	(15.5)	(29.5)
Change in Working Capital	(9.1)	(25.0)	6.4
<b>Operational Cash-Flow</b>	<b>(9.5)</b>	<b>(42.0)</b>	<b>(9.7)</b>
Financial result	(0.8)	(1.9)	(3.8)
Tax	(0.1)		(0.6)
Others	1.2	0.4	0.6
<b>Total Cash-flow</b>	<b>(9.2)</b>	<b>(43.5)</b>	<b>(13.5)</b>
Capital Increase / cash acquired from capital increase in not wholly-owned affiliates	4.1		
<b>Change in Net Debt</b>	<b>(5.0)</b>	<b>(43.5)</b>	<b>(13.5)</b>
<b>Net Cash / (Debt) before IFRS16</b>	<b>(1.2)</b>	<b>(26.2)</b>	<b>3.8</b>
Cash	80.5	27.2	88.6
Debt (before impact of IFRS16)	(81.7)	(53.4)	(84.8)
Debt (after impact of IFRS16)	(89.0)	(73.8)	(89.0)
<b>change in Net Cash / (Debt) before IFRS 16</b>	<b>(5.0)</b>	<b>(43.5)</b>	

# EBIT to EBITDA reconciliation (€m)

in M€	As of.	
	June 30, 2021	June 30, 2020
<b>Operating Income (EBIT)</b>	<b>2.4</b>	<b>(9.6)</b>
(-) GdW amortization	(0.5)	(0.5)
(-) Equity / debt / M&A related fees		(0.3)
(-) Performance Shares Plan (IFRS2)	(0.8)	
<b>= Current EBIT</b>	<b>3.7</b>	<b>(8.8)</b>
(-) Fixed & Intangible Asset Depreciation Expense	(11.3)	(8.6)
<b>= EBITDA</b>	<b>15.0</b>	<b>(0.2)</b>

# OUTLOOK

2021 target sales at ~€400m  
(~38% growth)

- Strong sales momentum in all regions (EU / ROW)
- Digitalization becoming top of agenda for retailers
- Strong backlog and pipeline

Record H1 in line with target

- Sales at €203m (+71%)
- Order intake at €309m (+87%)

Some uncertainties remain which affect current production and require mitigation actions throughout H2

- Covid 4th wave slowing down production in Asia due to lock-down measures
- Persistent semiconductor and components shortage



NIKKEI Asia

CORONAVIRUS

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Ho Chi Minh City to require workers sleep at plants or get bused in

A Samsung factory in Vietnam: The country's worst yet outbreak of COVID-19 is posing risks to its vital manufacturing sector. © Reuters

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July 14, 2021 18:47 JST