

SES-imagotag: Return to strong growth in Q3

- Q3 Sales of €73m (+46%)
- 9-month Sales of €191m (+12%)
- 9-month Orders of €253m (+17%); €373m on a rolling 12-month basis (+32%)
- Growth expected to continue over the next quarters, subject to impact of pandemic
- Improved profitability expected in H2 driven by resumption of sales growth

Sales (€m)	France	International	Total
Q3 2020	9.5	63.9	73.4
Q3 2019	14.9	35.2	50.1
Change (%)	-36.6%	+81.7%	+46.4%
9M 2020	29.4	162.4	191.8
9M 2019	48.5	123.0	171.5
Change (%)	-39.3%	+31.9%	+11.8%
Rolling 12-month 2020	48.4	219.4	267.8
Rolling 12-month 2019	70.1	167.1	237.2
Change (%)	-31.0%	+31.3%	+12.9%

Thierry Gadou, Group Chairman and CEO said: "Sales continued to rebound in Q3, driven once again by strong growth in our international markets notwithstanding the progress of the COVID pandemic in the majority of the countries in which we operate. In the face of these difficult conditions, we have recorded our best ever Q3 and our second best Quarter ever. We saw a return to double digit growth over the 9-months. We expect this momentum to continue for at least the next few quarters on the condition that the pandemic does not give way again to disruption of economic activity and ongoing projects. Our rapidly growing pipeline attests to the priority that major retailers are giving to digital transformation which they now see as essential to improving store efficiency, providing a better shopper experience and harmonizing physical and digital channels. With the Q3 return to growth, we expect to see an improvement in profitability in the Second Half."

Q3 showing strong return to growth

The rebound continued in Q3 with strong growth in sales to €73m. France, like the rest of Southern Europe, continues to be penalized by a slower recovery and a virulent pandemic that causes constant

persistent concern among economic players. The resumption of installations, however, should accelerate in the coming months.

International sales, driven by Germany, Northern Europe and the United States are accelerating their rebound with revenues of €63m (+81%).

Continued increase in Orders

Following a very positive first half of the year (€166m / +34%), order entries maintained their good momentum in Q3, reaching €88m. While lower than the record Q3 2019 (€93m), this momentum brought the cumulative total over the 12 months to €373m, +32% increase year-on-year.

The commercial pipeline is accelerating in all regions of the world, strengthening the prospects for future growth.

(€m)	2020	2019	%
H1	165.5	123.3	+34.2%
Q3	87.7	93.5	-6.2%
9M	253.2	216.8	+16.8%
12M Rolling	372.9	282.6	+32.0%

Risk Mitigation

Against a background of major uncertainty caused by the COVID-19 pandemic, SES-imagotag is continuing to implement risk mitigation plans and maintain tight discipline over costs and investment spend.

- Maintaining strict COVID measures on all sites including those operated by subsidiaries;
- Continuation of the cost stabilization plan;
- Securing the cash position: as already indicated at the end of the first half of the year, in order to strengthen the Group's liquidity, the Company has drawn down 90% of the State Guaranteed Loan (PGE), with a maturity of one year and an extension option of up to 5 additional years, taken out with credit institutions for a total amount of €30m. At the end of Q3 2020, the Group had available cash of €28m. With a financial debt (before IFRS 16) at €83m, net financial debt (before IFRS 16) was €55m. This value corresponds to the low point in the second half of the year and is mainly due to the change in working capital requirements linked to the return to growth from June onwards, a situation that is being rebalanced in Q4.

Outlook

SES-imagotag is confident of continued growth in the next few months and quarters, and in an improved level of profitability in H2, subject to the uncertain evolution of the COVID-19 pandemic.

Beyond the delay caused by the pandemic in the short term, the crisis has clearly demonstrated the urgency of the need for retailers to accelerate the digital transformation of physical stores, strengthening the growth prospects of SES-imagotag.



About SES-imagotag and the VUSION Retail IoT platform

SES-imagotag is a fast-growing retail tech company, listed on the Euronext Paris stock exchange, with revenues around €250 million. The company is the world leader in smart digital labels and IoT solutions for physical retail, serving over 300 large retailers around the world in Europe, Asia and 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 pricing agility, accuracy and integrity; enables omni channel synchronization of prices, product information and marketing content; and increases the productivity of shelf replenishment and in-store picking for online orders. 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.

www.ses-imagotag.com

SES-imagotag is listed in compartment B of the Euronext™ Paris

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