

## SES-imagotag: Return to strong growth in H2 2020

- Q4 Sales of €97m (+27.5%)
- H2 Sales of €170m (+35%)
- Record increase in Q4 order entries to €202m (€455m on a full year basis)
- Good visibility around improved outlook for 2021
- Net cash position at +€3m thanks to marked improvement in working capital

Sales (€m)	Europe	Rest of World	Total
H1 2019	108.9	12.5	121.4
<b>H1 2020</b>	<b>81.2</b>	<b>37.2</b>	<b>118.4</b>
<b>Change (%)</b>	<b>-25.4%</b>	<b>+197.6%</b>	<b>-2.5%</b>
Q3 2019	41.4	8.7	50.1
<b>Q3 2020</b>	<b>48.6</b>	<b>24.8</b>	<b>73.4</b>
<b>Change (%)</b>	<b>+17.4%</b>	<b>+185.1%</b>	<b>+46.5%</b>
Q4 2019	61.5	14.5	76.0
<b>Q4 2020</b>	<b>75.4</b>	<b>21.5</b>	<b>96.9</b>
<b>Change (%)</b>	<b>+22.6%</b>	<b>+48.3%</b>	<b>+27.5%</b>
H2 2019	102.9	23.3	126.2
<b>H2 2020</b>	<b>124.0</b>	<b>46.3</b>	<b>170.3</b>
<b>Change (%)</b>	<b>+20.5%</b>	<b>+98.7%</b>	<b>+34.9%</b>
2019	211.7	35.8	247.5
<b>2020</b>	<b>205.2</b>	<b>83.5</b>	<b>288.7</b>
<b>Change (%)</b>	<b>-3.1%</b>	<b>+133.2%</b>	<b>+16.6%</b>

**Thierry Gadou, Group Chairman and CEO said:** "We have been able to end this difficult year on a strong note of optimism and with a sharp rebound, thanks, above all, to the magnificent effort that retailers around the world have made to cope with the COVID crisis. Despite monumental challenges, our retail partners have continued to supply their customers with life's essentials. The pandemic has demonstrated the importance of physical retailers to the economy, to society in terms of jobs and to the sustainability of communities. Far from championing a victory of e-commerce in retail, we have seen that the tragedy of the global health crisis has put retail stores and their omnichannel offering in the limelight as the marketplace of tomorrow. SES-imagotag's core mission is to help all physical retailers adapt and survive to meet today's challenges by enabling their digital transformation.

We approach 2021 with the knowledge that the pandemic is far from over, but with increasing confidence that there is light at the end of the tunnel. We see a growing realization, amongst our customers, of the urgent need to accelerate the digital transformation of their stores and the role that our technology and our solutions can play in achieving that objective.

Finally, I want to express my gratitude and appreciation to our teams and recognize the extraordinary commitment they have shown in supporting our customers and maintaining continuity of service. I wish our clients, partners, and colleagues again the very best for this New Year 2021."

## Q4 and FY 2020 activity

Q4 sales were €97m, up +27.5% year-on-year. The quarter saw activity rebound across all regions. Europe recorded €75m of sales, up +23%, thanks to a continued strong performance in Germany and Northern Europe. Activity also recovered sharply in France and Southern Europe. The Americas and Asia continued their strong growth as sales outside Europe reached €22m in Q4 (+48%).

The year saw a marked contrast between H1 and H2. After a slight decline in sales in the first half of the year due to the impact of Covid and lockdown measures, activity rebounded strongly in H2 with sales of €170m, up +35% vs. 2019.

In FY 2020, total sales were €289m (+17%), driven by strong growth in the US and Asia. Sales outside Europe (+133%) represent more than 25% of global sales. The slight decrease in Europe (-3.1%) masked a wide disparity between performance in regions where projects have been heavily affected by Covid (France and Southern Europe) and those such as Germany and Northern Europe which recorded strong growth throughout the year. However, the sharp rebound in activity in H2 across the continent provides confidence to support Group expectations of solid growth in 2021.

As announced previously, Q4 order entries reached a record level of €202m (+69%) in Q4, bringing the FY levels to €455m, up +35% compared to 2019 and back in line with the pre-COVID trend. This was mainly due to a catch-up effect as planned investments that were delayed or temporarily postponed due to COVID were reinstated.

Order entries (€m)	2019	2020	%
H1	123.3	165.5	+34.2%
Q3	93.5	87.7	-6.2%
<b>Q4</b>	<b>119.7</b>	<b>202.2</b>	<b>+68.9%</b>
<b>FY</b>	<b>336.5</b>	<b>455.4</b>	<b>+35.3%</b>

## Strong improvement in cash position

Q4 also marked the return to a more normal working capital situation, with a reduction in late payments and the collection of down payments relating to the record Q4 order entries. As a result, net cash before IFRS16 was +€3m at the end of the year, representing an increase of nearly +€30m in the Group's net cash position over the second half of 2020.

## Sustainable innovation for positive retail

The "Roadmap for Positive Retail" presented in December 2019 under the supervision of our new International Advisory Board chaired by Peter Brabeck-Letmathe saw considerable progress in 2020 towards the goals set out in the "Zero Carbon ESL" project. The drastic reduction in air transport activity has made it possible to reduce CO2 emissions by more than 60%, with further reductions possible as a result of the introduction of shorter routes for rail-borne freight from China. The "second life" eco-design program of our VUSION range has also been accelerated, with a 40% increase in the collection of recyclable waste. The objective is to achieve maximum sustainability and recyclability, applying the logic of the circular economy, the only way that the carbon footprint of IoT technology can be reduced. This program was awarded the prize for sustainable innovation by LSA, a leading French retail industry magazine.

In addition, the increasing digitization of retail stores has resulted in a reduction in customer paper consumption by an equivalent of 100,000 trees per year, whereas the accelerated migration to the cloud (nearly 4,000 stores at the end of 2020) is also making a significant contribution to reducing their overall carbon footprint.

SES-imagotag's membership of the United Nations Global Compact program completes a year of responsible engagement and is a natural extension of the Roadmap for Positive Retail.

## 2021 Outlook

At the moment, the COVID 19 pandemic continues to be a cause for concern and future possible strict lockdown measures could slow down projects in some countries over the first half of the year.

However, with the order book at record levels and the pipeline of potential opportunities also at a historic high, there is every reason to believe that the Group will, as signalled in our Q4 update, be able to deliver on the VUSION 2022 objectives albeit one year later than originally planned, i.e. a FY 2021 target of around €400m.

## 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](http://www.ses-imagotag.com)

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

Ticker: SESL – ISIN code: FR0010282822 – Reuters: SESL.PA – Bloomberg: SES

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## Datasheet

### Sales

(€m)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2019
Europe	47.6	61.2	41.4	61.5	211.7	39.2	42.0	48.6	75.4	205.1
France	14.7	18.7	14.9	19.0	67.4	12.0	7.9	9.5	17.1	46.5
Other EU	32.9	42.5	26.5	42.5	144.3	27.2	34.1	39.1	58.3	158.6
ROW	4.6	7.9	8.7	14.5	35.8	11.6	25.6	24.8	21.5	83.6
<b>Total</b>	<b>52.2</b>	<b>69.1</b>	<b>50.1</b>	<b>76.0</b>	<b>247.5</b>	<b>50.8</b>	<b>67.6</b>	<b>73.4</b>	<b>96.9</b>	<b>288.7</b>

(€m)	Q1 2019	H1 2019	9M 2019	H2 2019	FY 2019	Q1 2020	H1 2020	9M 2020	H2 2020	FY 2020
Europe	47.6	108.8	150.2	102.9	211.7	39.2	81.1	129.7	124.0	205.1
France	14.7	33.5	48.4	33.9	67.4	12.0	19.9	29.4	26.6	46.5
Other EU	32.9	75.3	101.8	69.0	144.3	27.2	61.2	100.3	97.4	158.6
ROW	4.6	12.5	21.3	23.3	35.8	11.6	37.3	62.1	46.3	83.6
<b>Total</b>	<b>52.2</b>	<b>121.3</b>	<b>171.5</b>	<b>126.2</b>	<b>247.5</b>	<b>50.8</b>	<b>118.4</b>	<b>191.8</b>	<b>170.3</b>	<b>288.7</b>

### Order entries

(€m)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2019
<b>Total</b>	<b>47.3</b>	<b>76.0</b>	<b>93.5</b>	<b>119.7</b>	<b>336.5</b>	<b>71.8</b>	<b>93.8</b>	<b>87.7</b>	<b>202.2</b>	<b>455.4</b>