

## SES-imagotag - Q3 2021 Sales

### Best 9-month sales ever - Growth in line with targets

- Q3 sales at €87 million (+19%) and 9-month sales at €290 million (+51%)
- Record Q4 expected in line with annual sales target of about €400 million, subject to the evolution of the pandemic in Asia
- Q3 order entries at €139 million (+59%), and 9-month at €449 million (+77%)
- Value-added solutions (VAS) sales exceeded 15% of total sales over the last 9 months

Sales (€m)	Europe	Rest of the World	Total
<b>Q3 2021</b>	<b>62.4</b>	<b>25.1</b>	<b>87.5</b>
Q3 2020	48.6	24.8	73.4
<b>Change (%)</b>	<b>+28%</b>	<b>+1%</b>	<b>+19%</b>
<b>9M 2021</b>	<b>219.5</b>	<b>70.8</b>	<b>290.3</b>
9M 2020	129.7	62.0	191.8
<b>Change (%)</b>	<b>+69%</b>	<b>+14%</b>	<b>+51%</b>
<b>Rolling 12-month 2021</b>	<b>296.4</b>	<b>92.3</b>	<b>388.8</b>
Rolling 12-month 2020	191.2	76.6	267.7
<b>Change (%)</b>	<b>+55%</b>	<b>+21%</b>	<b>+45%</b>

**Thierry Gadou, Chairman and CEO of the SES-imagotag Group commented:** “Q3 was consistent with our expectations, showing sustained demand for the VUSION platform and excellent sales momentum, all the while reflecting known and anticipated tensions on the supply of components and the impact of the 4<sup>th</sup> wave of COVID on our production lines in Vietnam. Nonetheless, we achieved our best 3<sup>rd</sup> quarter ever, and cumulative sales at the end of September already exceed the whole of 2020, up +51%. These figures would have been even higher without the aforementioned obstacles. We remain confident to reach our annual objectives and we are most satisfied with continued gains in the penetration rate of our value-added solutions among the installed base. The digitization of physical commerce is at the top of retailers’ agenda. SES-imagotag is illustrating and implementing its most innovative achievements every day all over the world. The outlook for the coming years is excellent.”

**Growth in line with annual targets: +51% in the first 9 months**

Sales for the first nine months of the year came to €290 million. This is approximately the same amount as sales for the entire year of 2020, and translates to a growth of +51% compared to the same 9-month period last year. This performance supports our full-year revenue forecast of about €400 million, given the significant activity expected in Q4.

Current growth is being driven primarily by Europe (+69%). Sales in the rest of the world and particularly in the US (+14%) have been negatively affected by the pandemic's impact on the production lines dedicated to the US market in Vietnam even though the order book is at record levels. Business outside Europe (ROW) nonetheless accounted for 24% of total sales (more than €70 million over the last 9 months), in line with the VUSION-23 plan.

**Q3 growth slowed by pandemic-related shutdown of our Vietnam plant**

Third quarter sales stood at €87 million, up +19% versus the Q3 2020. While the Group delivered its best-ever Q3, activity was negatively affected, as mentioned above, by the combined effects of the semiconductor shortage and the fourth wave of COVID-19. The latter particularly affected countries in Southeast Asia. The Jabil plant in Vietnam, which produces VUSION smart labels for the US (due to tariffs on Chinese imports) was almost entirely paralyzed for most of the quarter, and is expected to return to normal activity in November. This had a negative impact on North American Sales, which however was offset by excellent order entries in the USA, a rapidly growing market for SES-imagotag (doubled vs. last year's 9-month mark).

**Still strong order entries momentum**

Orders in the 3<sup>rd</sup> quarter amounted to €139 million, up +59%, an unheard-of level in a traditionally quieter period. Order entries for the first nine months of the year stood at €448 million (+77%), with above-average order growth in the United States.

The cumulative total for the last 12 months stands at a record €651 million, a jump of +75% compared to the same period one year ago.

(€m)	2021	2020	%
H1	309.3	165.5	+87%
Q3	139.2	87.7	+59%
9M	448.5	253.2	+77%
Rolling 12-month	650.7	372.4	+75%

**Continued growth of Value-Added Solutions (VAS) on the VUSION Platform**

Growth in non-ESL innovative Value-Added Solutions (VAS) was also strong over the first nine months, generating revenues of €44.5 million, amounting to 15% of sales, up 2 points versus 2020 (13%). Cloud revenues and the increasing numbers of solutions being added on to the VUSION installed base, as well as the successful launch of Captana —a computer-vision-based, artificial intelligence solution enabling real-time shelf monitoring and automatic stockout detection were the drivers behind this growth.

The continued growth of Value-Added Solutions underlines the importance of the combined hardware/software strategy and offer behind the VUSION platform and contributes to offsetting the negative impact of component price increases on margins.



## Cash Position

Net cash position before IFRS16 stood at €7.3 million, netting the Group an available cash position of around €88 million.

## Outlook

Barring an unexpected worsening of the pandemic in Asia or of the global component supply chain, the Group anticipates strong business in Q4 and expects to achieve its unchanged annual target of about €400 million, i.e., annual growth of nearly +40%.

Despite increasing component prices, SES-imagotag remains confident in its ability to continue improving profitability in 2021. Furthermore, the current order entries momentum reinforces the prospect of strong growth for 2022.

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## About SES-imagotag and the VUSION (Retail IoT Cloud) 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

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